

## 6.10 SOCIOECONOMICS

This section addresses potential socioeconomic aspects of the Morro Bay Power Plant (MBPP) Project, which will be implemented at an industrial site that has operated as a power plant for almost 50 years. The Project will require a large construction work force, but will not require additional operations personnel. Duke Energy is committed to utilizing local resources (i.e., materials, equipment, work force) as much as possible for construction and operation of the Project. Because requirements for construction workers can be met for the most part by the local work force driving a reasonable distance, and because the Project will result in no new employees, significant adverse socioeconomic impacts will not occur, and the Project will result in direct and indirect beneficial socioeconomic effects. The Project will result an infusion of dollars from outside the local area, in the form of monies spent for materials, equipment, wages and salaries. As a result, the Project will have a beneficial impact on the local economy.

Beneficial aspects of the Project related to socioeconomics are:

- Increased revenue to local vendors and suppliers from the \$650-million Project.
- Reduced electricity prices for California consumers.
- Maximization of locally available skilled craft labor.
- Reduction of the unemployment rate by Project construction employment opportunities.
- Increase in county property tax revenue with new operating assets.
- Increase in state and city sales tax revenue on purchasing major operating equipment components.
- Natural gas transportation franchise fees for the City of Morro Bay.
- Promotion of indirect and induced employment in the local area.

The expected allocation of property taxes, sales taxes and franchise fees paid by Duke Energy Morro Bay LLC to the City of Morro Bay after the Project is operational are estimated as follows:

### ALLOCATION OF TAXES AND FEES TO THE CITY OF MORRO BAY

Sales Tax	\$1,800,000 (during construction)
Franchise Fees (from Natural Gas Transportation Service)	\$ 855,000 (annually)
Property Tax	\$655,000

This section describes existing socioeconomic conditions and potential Project-related effects to population, employment, housing, services and utilities, and county tax revenues. It includes a discussion of both regional, local and cumulative impacts. The location and key elements of the Project are summarized in Chapter 2.0 - Project Description.

### 6.10.1 EXISTING CONDITIONS

The City of Morro Bay is a picturesque oceanfront community 12 miles northwest of San Luis Obispo, anchored by the famed Morro Rock that juts out of the ocean between Morro Bay and Estero Bay. Morro Bay supports tourism, retail sale, commercial fishing and electrical power generation.

Originally a stop for schooners traveling to and from San Francisco, the town of Morro Bay was founded in 1870 by Franklin Riley. Before World War II, most of the community was located along the bluffs, away from the coast. Establishment of a United States Navy amphibious training base in 1941 led to rapid development of the area. Construction of the Embarcadero began in 1942 and was completed by 1944. A portion of the old base was subsequently sold to the Pacific Gas and Electric Company (PG&E) in the early 1950s, and Units 1 and 2, the first two power plant units at MBPP, came online in 1955 and 1956. Units 3 and 4 came online in 1962 and 1963. The three stacks that rise 450 feet from MBPP have been a feature of the community since they were constructed. The power plant eventually provided the tax base for the 1964 incorporation of the City as Morro Bay (Morro Bay, 1999).

The dominant feature of the City today is the Morro Bay Harbor, home to an active fishing fleet. The harbor features more than 400 boat slips and moorings, a launch ramp, marine services and a yacht club. Along the waterfront and Embarcadero, visitors find an abundant selection of restaurants, hotels, gift shops, bike rentals, parks and beaches, plus a natural history museum and golf course.

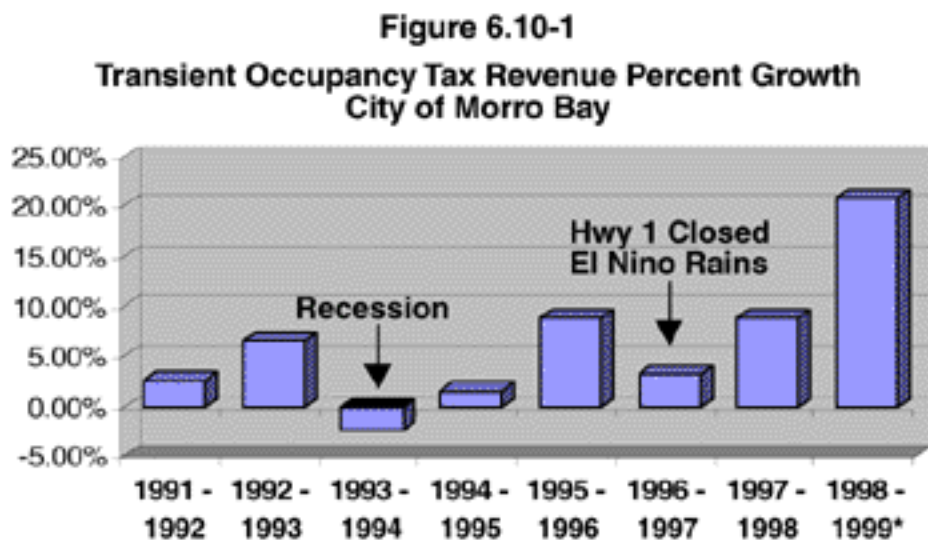
#### Tourism

Tourism is an important element of the City of Morro Bay economy. Since the construction of the MBPP, Morro Bay has evolved into a popular tourist destination. The scenic coastal city has developed a considerable tourism economy. In 1957, Hearst Castle was deeded to the State of California Parks System and tours began in June of 1958. The castle has become the most popular attraction in the state system. Many tourists visiting the castle stay in Morro Bay (SA Nukes & Associates, 1999 - see Appendix 6.10-1).

Additional visitors to Morro Bay come from the San Joaquin Valley during the summer to escape the heat. There are also a large number of visitors from Southern California and international visitors because of travel profiles in newspapers, travel magazines and travel trade shows. A wide variety of businesses including retail shops and lodging facilities tap into this tourism market.

As shown in Figure 6.10-1, the City of Morro Bay has shown significant growth in tourism, particularly since 1997 (SA Nukes & Associates, 1999 - see Appendix 6.10-1). The City has one of the largest overnight tourism growth rates in San Luis Obispo County. The estimate from the City's Finance Department was for a 20.87 percent growth for 1998-1999 fiscal year with a gain of over \$250,000 in Transient Occupancy Tax (TOT) Revenue, commonly referred to as the "bed tax."

Overall, the City's nearly 1,000 hotel rooms account for annual room sales of \$11 million.



Source: SA Nukes & Associates, 1999.

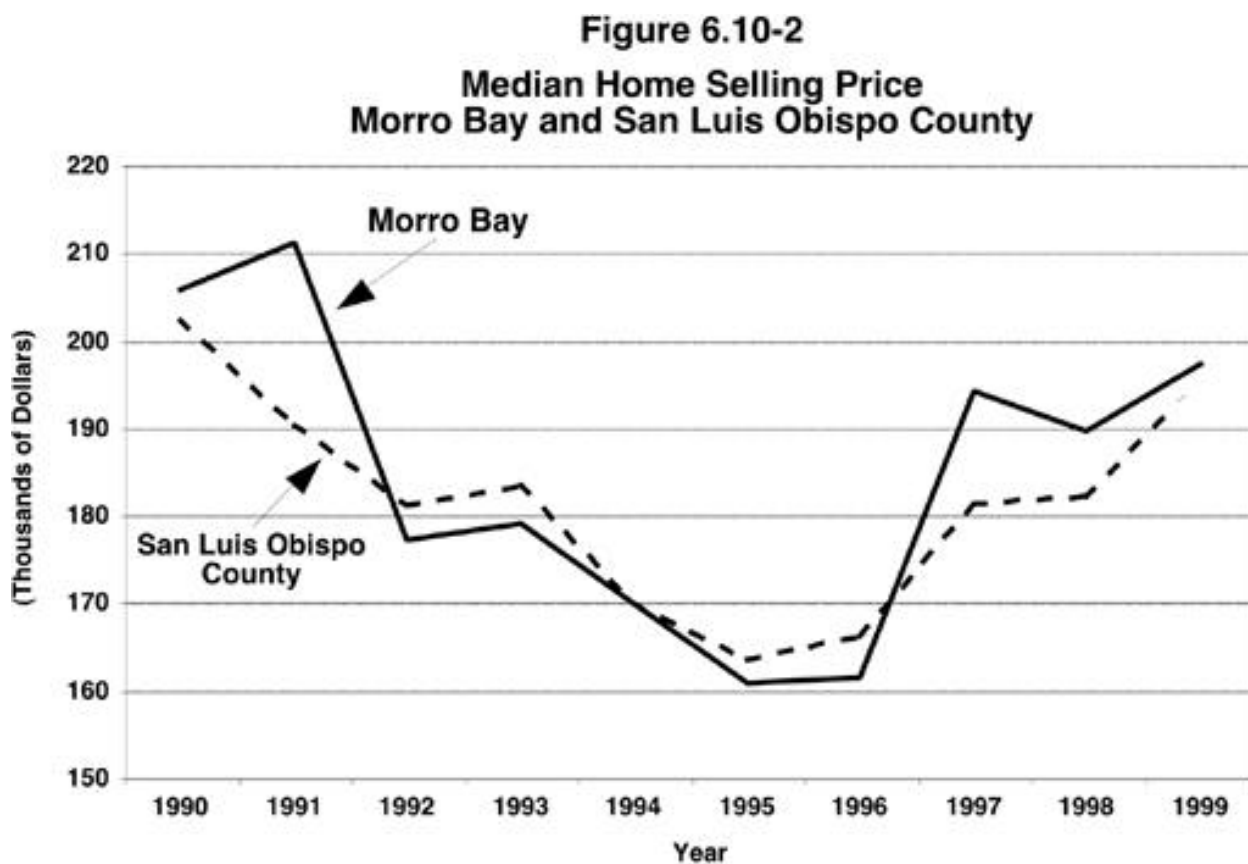
The role of tourism in the local economy is evident. With a population of approximately 10,000, Morro Bay retailers take in taxable retail sales of \$101 million annually.

Morro Bay and nearby beaches served by the local trolley draw tourists and locals alike to ride the waves, patronize local shops, and watch the commercial fishing boats unload their catches. Tourism, the City's number one industry, may host up to 10,000 visitors in a summer's weekend. In addition to its year-round amenities, Morro Bay hosts a variety of festivals during the year, including Art in the Park, Merchants' Street Faire, Harbor Festival, Lighted Boat Parade, Bird Festival, the Morro Bay Car Show and Fun Run, and the annual 4<sup>th</sup> of July fireworks show. Duke Energy actively supports, as a corporate sponsor, various festivals and events in Morro Bay.

## Housing

Morro Bay offers mid-priced housing in San Luis Obispo County, with a median value of \$167,200 for all types of housing in 1999 (i.e., single-family, attached homes and condominiums). This compares to a median value of \$225,100 in Cambria, \$145,500 in Paso Robles, and the unincorporated county area average of \$165,500.

Based on an analysis conducted by the University of California, Santa Barbara (UCSB) - Economic Forecast Project and as shown in Figure 6.10-2, the trend of the median price of single-family homes in Morro Bay (\$197,000) compares to the trend for San Luis Obispo County (\$195,000) and has done so since 1990 (Schniepp, 1999 - see Appendix 6.10-2).



Source: Schniepp, 1999.

## Commercial Fisheries

The ports of Morro Bay and San Luis comprise an important regional hub for commercial fishing activity along the central coast (see Appendix 6.10-3). Monterey is the nearest fishing port facility to the north (approximately 110 miles north of Morro Bay) and Santa Barbara is the nearest fishing port to the south (approximately 100 miles south of Port San Luis). Both ports are located within

the boundaries of San Luis Obispo County and the commercial fishing industry is a notable component of the regional economy. The commercial fishing industry in San Luis Obispo County provides income for captains, crews, industry-related workers (unloading and processing crews, market personnel, etc.), service personnel (mechanics, electricians, etc.), and marine equipment retailers. Routine port operations and maintenance as well as emergency services to vessels in distress are partly funded with slip and mooring fees collected from commercial fishers by the Morro Bay Harbor Department and San Luis Port District. Federal funding for Morro Bay harbor dredging and channel maintenance is dependent on harbor use, most of which comes from vessels engaged in commercial fishing and recreational activities (e.g., fishing, sailing, whale-watching).

Fresh seafood harvested by commercial fishers is sold locally in fish markets, restaurants, and directly to the public from fishing boats. The availability of fresh seafood contributes to the area's desirability as a tourist destination. Seafood landed in Morro Bay and Port San Luis is also processed locally for wholesale distribution. The number of seafood processing plants operating in San Luis Obispo County has however declined during the last decade and only one continues to process large quantities of fish. The bulk of the catch landed in the two ports is now purchased by fish buyers and trucked elsewhere in the state for processing and wholesale distribution.

#### 6.10.1.1 Study Area

The MBPP is located 12 miles northwest of San Luis Obispo, California, in San Luis Obispo County in the City of Morro Bay. The plant is situated west of Highway 1, near Morro Bay Harbor and east of Estero Bay. The area includes light industry, commercial operations and marine, recreational and residential uses.

The socioeconomic study area has been defined as the City of Morro Bay, San Luis Obispo County, and northwestern Santa Barbara County (see Figure 6.10-3). For the purpose of this investigation, the study area was determined to consist of communities within a reasonable commuting distance (approximately 1- to 1-1/2-hour one-way trip) for construction workers. Because the Project will not require additional operating personnel, it was not necessary to evaluate daily commutes for operations personnel. As appropriate, existing conditions are described for the cities of Morro Bay and San Luis Obispo, San Luis Obispo County, and northwestern Santa Barbara County (those areas within a 1- to 1-1/2-hour one-way trip).

The nearest urbanized area in the vicinity of MBPP is the surrounding City of Morro Bay. The largest urbanized area in the vicinity is the City of San Luis Obispo, 12 miles southeast of MBPP. Other communities in the county include Cayucos, located about 5 miles to the north, Los Osos and Baywood Park located about 5 to 6 miles south, and Atascadero and Cambria, about 20 and 25 miles to the north, respectively. Paso Robles is about 40 miles to the north, and Arroyo Grande about 30 miles to the south. Other, smaller, communities, include Grover Beach, Pismo Beach, Shell Beach and Oceano, which are clustered along the shoreline westerly of Arroyo Grande.

Northwestern Santa Barbara County, also within commuting distance for construction workers, is included in the study area. The major communities in this area are the cities of Santa Maria and Lompoc, and the Santa Ynez Valley, which includes Los Olivos, Buellton, Santa Ynez and Solvang.

#### 6.10.1.2 San Luis Obispo County

##### 6.10.1.2.1 Population

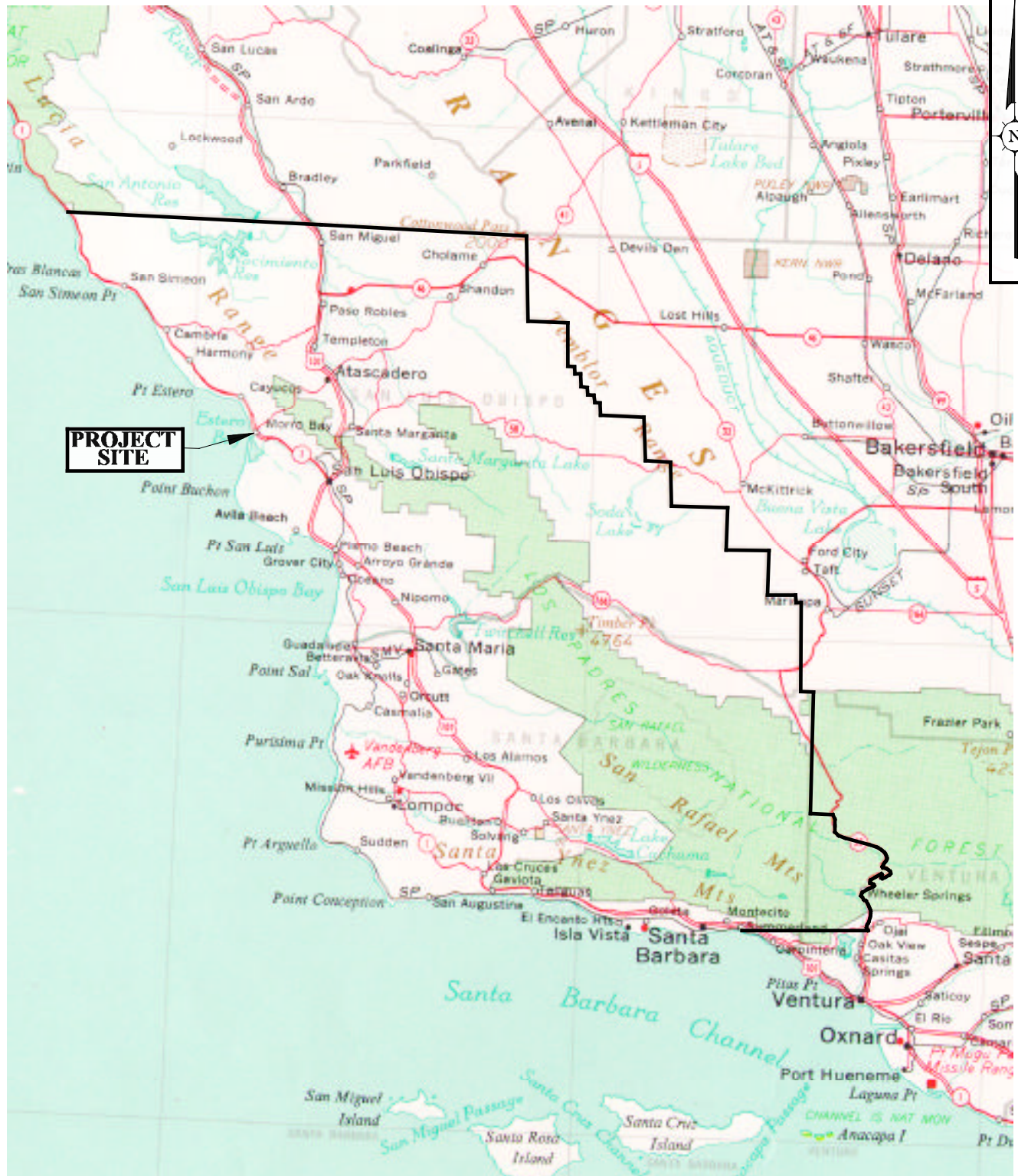
##### General Characteristics

The population trends and characteristics of San Luis Obispo County are shown in Table 6.10-1. The population growth projection for the County represents an overall increase of approximately 145 percent over 50 years (California Department of Finance, 1998).

**TABLE 6.10-1**  
**POPULATION CHARACTERISTICS AND PROJECTIONS**  
**SAN LUIS OBISPO COUNTY**

ETHNICITY	YEAR			
	1990 <sup>(1)</sup>	2000 <sup>(1)</sup>	2020 <sup>(1)</sup>	2040 <sup>(1)</sup>
White	177,031	203,347	296,188	376,229
Hispanic	29,122	37,122	72,381	127,091
Asian/Pacific Islander	5,783	7,461	13,090	18,532
Black	4,351	5,166	8,672	11,997
American Indian	1,657	1,722	1,998	2,052
Total County	217,944	254,818	392,329	535,901

<sup>(1)</sup> California Department of Finance, 1998



## SOCIOECONOMICS STUDY AREA

DUKE ENERGY MORRO BAY LLC  
MORRO BAY POWER PLANT

**TRC**

**FIGURE 6.10-3**

REFERENCE: USGS NATIONAL ATLAS SOUTHERN CALIFORNIA MAP, 1973.

The following compares the ethnic characteristics of the County and the state of California.

### ETHNIC CHARACTERISTICS

ETHNIC BACKGROUND	SAN LUIS OBISPO COUNTY (percent of population)	CALIFORNIA (percent of population)
White	81	57
Hispanic	13	26
Black	2	7
Asian	3	9
American Indian	1	> 1

Source: California Department of Finance, 1998.

Populations of cities in San Luis Obispo County are shown in Table 6.10-2. The City of San Luis Obispo is the most populous, with 42,650 persons in 1998, approximately 18 percent of the total county population. The least populous are the cities of Morro Bay, with a population of 9,850, and Pismo Beach, with a population of 8,375. Nearly one-half (43 percent) of the county population is in the unincorporated areas.

**TABLE 6.10-2**

### POPULATIONS OF CITIES SAN LUIS OBISPO COUNTY

CITY	1997	1998
Arroyo Grande	15,300	15,800
Atascadero	24,700	25,300
Paso Robles	21,500	22,050
Grover Beach	12,150	12,500
Morro Bay	9,625	9,850
Pismo Beach	8,200	8,375
San Luis Obispo	41,800	42,650
Unincorporated	99,400	102,500
<b>Total County</b>	<b>232,675</b>	<b>239,025</b>

Source: California Department of Finance, 1998.



#### 6.10.1.2.2 Economics and Employment

##### Economics

The economy of San Luis Obispo County is based on tourism, education and government. This is reflected in the source of personal earnings, which in 1996 were \$2.8 billion, a 6.4 percent increase over 1995. Of that amount, approximately 26 percent came from services, 20.7 percent from state and local government, and 12.8 percent from retail trade (Bureau of Economic Analysis, 1999).

Personal income characteristics for San Luis Obispo County are shown in Table 6.10-3, which shows total county income of \$4,941 million in 1996, an increase of 79 percent from 1986 income of \$2,764 million. Over the same period, per capita income increased by 50 percent, from \$14,360 to \$21,480. As shown in Table 6.10-3, these increases are similar to the state of California, which shows a 72 percent increase in total income and a 46 percent increase in per capita income during the 10 years from 1986 to 1996 (California Department of Finance, 1998).

**TABLE 6.10-3**  
**PERSONAL INCOME CHARACTERISTICS**  
**SAN LUIS OBISPO AND SANTA BARBARA COUNTIES**

	1986	1990	1996	RANK IN 1996
<b>TOTAL INCOME (IN MILLIONS)</b>				
San Luis Obispo County	\$2,764.1	\$3,851.8	\$4,940.7	25 of 58 counties
Santa Barbara County	\$6,315.0	\$8,303.7	\$10,395.0	18 of 58 counties
State of California	\$469,931.3	\$640,266.6	\$808,180.5	--
<b>PER CAPITA INCOME (IN DOLLARS)</b>				
San Luis Obispo County	\$14,359	\$17,943	\$21,483 (median = \$24,122)	22 of 58 counties
Santa Barbara County	\$18,270	\$22,413	\$27,003	12 of 58 counties
State of California	\$17,339	\$21,393	\$25,368	--

Source: California Department of Finance, 1998.

##### Employment

The existing MBPP employs 77 persons. This represents approximately 2 percent of employment in Morro Bay. Total employment for Morro Bay is included in Table 6.10-4.

Labor force and employment for San Luis Obispo County and its cities also is shown in Table 6.10-4. As shown, the 1998 county labor force was 109,500 with a low unemployment rate.

**TABLE 6.10-4**

**LABOR FORCE AND EMPLOYMENT  
SAN LUIS OBISPO COUNTY AND LOCAL JURISDICTIONS - 1998**

AREA <sup>(1)</sup>	LABOR FORCE	EMPLOYMENT	UNEMPLOYMENT	
			Number	Percent
Arroyo Grande	7,210	6,960	250	3.5
Atascadero	12,880	12,530	350	2.7
Baywood - Los Osos	7,790	7,600	190	2.4
Cambria	2,670	2,610	60	2.2
Cayucos	1,580	1,550	30	1.6
Grover Beach	6,320	6,080	240	3.8
Lake Nacimiento	610	560	50	7.9
Morro Bay	5,030	4,900	130	2.6
Nipomo	3,340	3,190	150	4.4
Oceano	2,910	2,680	230	8.1
Paso Robles	8,870	8,470	400	4.5
Pismo Beach	4,280	4,140	140	3.3
San Luis Obispo	23,760	22,840	920	3.9
San Miguel	520	470	50	9.2
Templeton	1,320	1,300	20	1.4
San Luis Obispo County	109,500	105,600	3,900	3.6

98-710/Rpts/AFC(text)/TbIs(new) (10/19/00/rw)

(1) Does not include all unincorporated areas.

Source: California Employment Development Department, 1999.

of 3.6 percent. However, there is a wide difference throughout the county. As shown in Table 6.10-4, the highest unemployment rate occurs in San Miguel (9.2 percent), with the lowest rate in Templeton (1.4 percent). The City of Morro Bay has a 2.6 percent unemployment rate (California Employment Development Department, 1999).

The employment by industry for the County, and the cities of Morro Bay and San Luis Obispo is shown in Table 6.10-5. As shown, the largest employment category is retail trade, with 21 percent for the county as a whole, 27 percent for Morro Bay, and 25 percent for the City of San Luis Obispo. This reflects the effect of tourism, local colleges and California Polytechnic State University, San Luis Obispo (Cal Poly) on the county's labor force requirements.

Construction workers make up 9 percent of the workforce in San Luis Obispo County and 8 percent in Morro Bay. San Luis Obispo County has a construction workforce of approximately 8,853 persons (San Luis Obispo Chamber of Commerce, 1999). An estimated 980 of these workers reside in or near the City of San Luis Obispo.

An important component of San Luis Obispo County economics and employment is Cal Poly. The local economy relies heavily on the university, which is estimated to contribute over \$400 million annually in the form of wages, goods and services (Krupp, 1999). In addition, Cuesta College employs about 500 faculty and staff (Cartnal, 1999), making it the county's seventh largest employer.

Other important employers include the San Luis Coastal Unified School District, Sierra Vista Regional Medical Center and American Eagle Airlines (San Luis Obispo Chamber of Commerce, 1998).

#### 6.10.1.2.3 Housing

Housing characteristics for San Luis Obispo County and cities are shown in Tables 6.10-6. As shown, in January 1998, there were an estimated 98,500 housing units in the county, including single-family, multiple-family and mobile homes. Of these, 18,640 are located in San Luis Obispo, and 6,005 are in Morro Bay. The remainder are located as shown in the table. The overall county housing vacancy rate is about 12 percent, ranging from 4 percent in Atascadero to 21 percent in Grover Beach. Morro Bay has a 21 percent housing vacancy rate.

**TABLE 6.10-5**

**EMPLOYMENT BY INDUSTRY<sup>(1)</sup>**  
**SAN LUIS OBISPO COUNTY, MORRO BAY**  
**CITY OF SAN LUIS OBISPO - 1990**

INDUSTRY	NUMBER EMPLOYED					
	San Luis Obispo County		Morro Bay		City of San Luis Obispo	
	Number	Percent of Total <sup>(2)</sup>	Number	Percent of Total <sup>(2)</sup>	Number	Percent of Total <sup>(2)</sup>
Agriculture, Forestry, Fisheries	5,686	6	184	4	657	3
Mining	423	<1	7	<1	9	<1
Construction	8,853	9	378	8	980	5
Manufacturing, Nondurable Goods	3,169	3	141	3	652	3
Manufacturing, Durable Goods	4,710	5	126	3	666	32
Transportation	2,393	2	102	2	460	2
Communications and Other Public Utilities	4,117	4	157	3	788	4
Wholesale Trade	2,394	2	149	3	401	2
Retail Trade	20,011	21	1,230	27	5,297	25
Finance, Insurance, Real Estate	5,443	6	237	5	1,016	5
Business and Repair Services	4,554	5	152	3	1,060	5
Personal Services	4,260	4	295	7	1,021	5
Entertainment and Recreation Services	1,788	2	99	2	494	2
Professional and Related Services						
Health Services	7,681	8	371	8	1,579	7
Educational Services	9,394	10	342	8	3,154	15
Other Professional and Related Services	6,454	7	263	6	1,601	8
Public Administration	6,087	6	287	6	1,232	6
<b>TOTAL EMPLOYED</b>	<b>97,417</b>	<b>100</b>	<b>4,520</b>	<b>100</b>	<b>21,067</b>	<b>100</b>

98-710/Rpts/AFC(text)/TbIs(new) (10/20/00/rm)

(1) Persons 16 years and over.

(2) May not add due to rounding.

Source: 1990 U.S. Census Data. Database C90STF3A.

**TABLE 6.10-6**

**SELECTED HOUSING CHARACTERISTICS  
SAN LUIS OBISPO COUNTY  
JANUARY 1, 1998**

LOCATION	SINGLE FAMILY	MULTIPLE 2-5 UNITS	MOBILE HOMES	NUMBER OCCUPIED	NUMBER VACANT	PERCENT VACANT	TOTAL HOUSING UNITS	PERSONS PER HOUSEHOLD
Arroyo Grande	4,921	1,079	528	6,167	361	5.53	6,528	2.53
Atascadero	6,833	2,086	601	9,100	420	4.41	9,520	2.75
Grover Beach	3,620	1,407	259	4,823	463	8.76	5,286	2.58
Morro Bay	4,202	1,006	797	4,722	1,283	21.37	6,005	2.02
Paso Robles	6,087	2,139	307	7,842	691	8.10	8,533	2.71
Pismo Beach	3,273	927	748	4,069	879	17.76	4,948	2.05
San Luis Obispo	9,965	7,146	1,531	17,676	966	5.18	18,642	2.33
Total Incorporated	38,901	15,790	4,771	54,399	5,063	10.16 <sup>(1)</sup>	59,462	2.42
Total Unincorporated	29,474	3,127	6,449	33,175	5,875	15.04 <sup>(1)</sup>	39,050	2.72
<b>TOTAL COUNTY</b>	<b>68,375</b>	<b>18,917</b>	<b>11,220</b>	<b>87,574</b>	<b>10,938</b>	<b>12.60<sup>(1)</sup></b>	<b>98,512</b>	<b>2.52</b>

98-710/Rpts/AFC(text)/TbIs(new) (10/19/00/rw)

<sup>(1)</sup> Does not calculate exactly, due to rounding.

Source: California Department of Finance, Demographic Research Unit. Received from D. Lilley, Senior Planner, San Luis Obispo County. February 19, 1999.

A study of single-family homes in San Luis Obispo County and coastal communities within the county for the period 1990 through March 1999 was completed for this analysis by the UCSB - Economic Forecast Project (Schniepp, 1999; see Appendix 6.10-2). The study found that the pattern of home values in San Luis Obispo County generally reflects the pattern for the state of California and that, in the county, the price of new homes is generally higher than for existing homes. Within the approximately 10-year period covered by the study, housing values as determined by median selling price of a single-family home, declined after 1991, fell to a low point between 1993 and 1996 during the statewide recession, then began an ongoing recovery process. Housing values in Morro Bay closely followed the median housing values of homes in San Luis Obispo County between 1990 and 1999, although for Morro Bay, housing values rose faster than for the overall county.

As noted in Appendix 6.10-2, between 1995 and 1998, sales of single-family homes in Morro Bay rose 43 percent, significantly higher than the overall county and most other communities in San Luis Obispo County. This trend continued into 1998 and 1999, as home sales in Morro Bay continued to be more robust than in most other areas of the county. Compared to other coastal communities in the county, single-family homes in Morro Bay currently sell for more than some (Los Osos, Grover Beach and Oceano) and less than others (Cayucos, Cambria and Pismo Beach). The 1999 median price of single-family homes in Morro Bay is \$197,000, compared to \$195,000 for San Luis Obispo County as a whole.

There are approximately 8,600 motel/hotel rooms in San Luis Obispo County. There are 40 motels and hotels with about 1,000 rooms in Morro Bay, and 25 motels and hotels with about 2,254 rooms in San Luis Obispo. Motel/hotel rooms throughout the county are noted below in Table 6.10-7.

**TABLE 6.10-7**

**HOTEL/MOTEL/INN ACCOMMODATIONS  
SAN LUIS OBISPO COUNTY**

LOCATION	NUMBER OF ROOMS
Pismo Beach	2,378
San Luis Obispo	2,254
Morro Bay	995
Cambria	963
San Simeon	579
Paso Robles	528
Arroyo Grande	293
Atascadero	279
Grover Beach	129
Cayucos	117
Avila Beach	83
Other	46
<b>TOTAL COUNTY</b>	<b>8,644</b>

Source: San Luis Obispo County, 1997.

Hotel and motel occupancy rates for the county show that occupancy is seasonal, being highest from June through October and lowest from November through May. For San Luis Obispo and Morro Bay, peak hotel and motel occupancy occurs from June through October (San Luis Obispo Chamber of Commerce, 1998).

In addition to area motels and hotels, the county has more than 35 parks with more than 2,000 spaces available for recreational vehicles (RVs). Of these, seven are in or near Morro Bay, with an estimated total of about 500 spaces. In the vicinity of Grover Beach, about 30 miles south of MBPP, there are more than 25 parks with a total of more than 1,000 RV spaces (Automobile Club of Southern California [AAA], 1997). Within the boundary of MBPP, there is an RV park that is owned by Duke Energy and leased to Morro Dunes RV Park, with 178 spaces.

RV parks in the vicinity of MBPP that have RV spaces and may be available for transient and semipermanent occupancy include Morro Dunes Travel Trailer Park and Resort Campground, Bay Pines Travel Trailer Park, Bay View Park, Holiday Recreation Vehicle Park, Rancho Colina RV Park, Cerro Alto, Morro Bay State Park and Morro Strand State Beach (AAA, 1997).

#### 6.10.1.2.4 Schools

San Luis Obispo County has 13 school districts. These are shown in Table 6.10-8, which includes the grades, number of schools, pupil/teacher ratio, average class size, and enrollment for each district. The MBPP is located within the San Luis Coastal Unified School District, which encompasses the cities of San Luis Obispo and Morro Bay. This district has 19 schools serving Kindergarten (K) through Grade 12, with a 1996 enrollment of 8,480 (California Department of Education, 1997). Enrollment had declined to 8,420 as of January 1, 1999 (Valentine, 1999).

As shown in Table 6.10-9, enrollments were at or below design capacity for most of the San Luis Obispo and Morro Bay schools. Two schools with enrollments above capacity are Pacheco Elementary and San Luis Obispo High, both in the City of San Luis Obispo. As indicated, both schools recently were expanded (Valentine, 1999).

Cal Poly had an enrollment of 16,300 as of fall 1998 (Nielsen, 1999). The student population is tied to the state budget, and is projected to generally remain steady (Nielsen, 1999). In addition, the Cuesta Community College campus in San Luis Obispo had a student enrollment of 8,040 as of September 1998. The Cuesta Community College facility in Paso Robles had a 1998 enrollment of 1,300, and the Arroyo Grande facility enrolled 375 (Cartnal, 1999).

#### 6.10.1.2.5 Utilities

##### Morro Bay

The City of Morro Bay provides water and sewer service within the City limits. (MBPP provides water service for itself from onsite wells, storage tanks and distribution system.) The system has over 12,000 connections and processes up to 2.36 million gallons per day for peak dry weather conditions. There are no plans to expand at this time (Morro Bay Wastewater Treatment Plant Superintendent, 2000). Electricity is provided through electrical transmission lines owned by PG&E. Natural gas is provided by Southern California Gas Company. Telephone service is obtained from various providers.

##### San Luis Obispo

Within the City of San Luis Obispo, water and sewer service are provided by the city. The system has over 13,000 connections, with a capacity for over 47,000 total connections. The city expanded its water and sewer system in 1994 and has no plans for another expansion at this time (Henderson, 1999).



**TABLE 6.10-8**

**SCHOOL ENROLLMENT CHARACTERISTICS  
SAN LUIS OBISPO COUNTY SCHOOL DISTRICTS - 1996**

DISTRICT	GRADES	NUMBER OF SCHOOLS	PUPIL/TEACHER RATIO	AVERAGE CLASS SIZE	ENROLLMENT
San Luis Obispo County Office of Education	K-12	2	9.6	17.0	397
Atascadero Unified	K-12	12	23.3	27.9	6,143
Cambria Union Elementary	K-8	2	18.0	23.0	573
Cayucos Elementary	K-8	1	18.9	23.2	290
Coast Union High	9-12	2	16.5	20.7	372
Lucia Mar Unified	K-12	15	21.2	27.4	10,703
Paso Robles Joint Union High	9-12	2	23.5	28.9	2,065
Paso Robles Union Elementary	K-8	7	21.7	27.8	4,078
Pleasant Valley Joint Union Elementary	K-6	1	19.4	20.0	120
San Luis Coastal Unified	K-12	19	21.4	29.0	8,479
San Miguel Joint Union Elementary	K-8	1	18.5	26.0	512
Shandon Joint Unified	K-12	3	16.8	19.0	337
Templeton Unified	K-12	5	19.4	22.0	2,048
<b>TOTAL SAN LUIS OBISPO COUNTY</b>	<b>K-12</b>	<b>72</b>	<b>21.1</b>	<b>27.1</b>	<b>36,117</b>

98-710/Rpts/AFC(text)/TbIs(new) (10/19/00/rw)

Source: California Department of Education, 1997.

**TABLE 6.10-9**

**SCHOOL ENROLLMENT AND CAPACITY CHARACTERISTICS  
SAN LUIS COASTAL UNIFIED SCHOOL DISTRICT - 1998/1999**

AREA	ENROLLMENT	DESIGN CAPACITY	MAXIMUM CAPACITY	PLANNED IMPROVEMENTS
<b>MORRO BAY AND LOS OSOS SCHOOLS</b>				
Del Mar Elementary	285	650	650	--
Morro Elementary	310	450	420	Library and modernization; September 2000.
Baywood Elementary	303	650	650	--
Monarch Grove Elementary	506	570	650	--
Sunnyside Elementary	299	428	420	Modernization, expand core facilities to 450; September 1999.
Los Osos Middle School	547	550	650	Expand core facilities to 650; September 1999.
Morro Bay High School	1,000	1,000	1,000	--
<b>All Morro Bay Schools</b>	<b>3,250</b>	<b>4,298</b>	<b>4,440</b>	<b>--</b>
<b>SAN LUIS OBISPO SCHOOLS</b>				
Bishop's Peak Elementary	340	450	390	--
Conrad L. Smith	383	650	650	--
Hawthorne Elementary	256	550	500	--
Los Ranchos Elementary	589	650	650	--
Pacheco Elementary	425	314	420	Library and modernization, expand core facilities to 450; September 1999.
Sinsheimer Elementary	399	650	650	--
C.E. Teach Elementary	221	650	650	--
Bellevue-Santa Fe Charter School	--	--	--	Operates separately from San Luis City Unified School District
Laguna Middle School	820	850	850	--
San Luis Obispo Junior High	--	550	550	Used as Adult School and District Office.
Pacific Beach High School	78	100	100	--
San Luis Obispo High	1,636	1,564	1,564	Modernization, expansion; September 1999.
<b>All San Luis Schools</b>	<b>5,147</b>	<b>6,978</b>	<b>6,974</b>	<b>--</b>
<b>ALL DISTRICT SCHOOLS</b>	<b>8,397</b>	<b>11,276</b>	<b>11,414</b>	<b>--</b>

98-710/Rpts/AFC(text)/TbIs(new) (10/19/00/rw)

Source: San Luis Coastal Unified School District, 1999.

Electricity for San Luis Obispo is provided by PG&E (San Luis Obispo Chamber of Commerce, 1998). Natural gas is provided by Southern California Gas Company. Telephone service is obtained from various providers.

#### 6.10.1.2.6 Emergency and Other Services

##### Police

##### *Morro Bay*

Police protection for the City of Morro Bay, including MBPP, is provided by the Morro Bay Police Department, which has responsibility for the area within the city limits. The department is comprised of 20 sworn officers and 8 support staff. Response time from the police station to MBPP is estimated at about 2 minutes (Cardwell, 1999 and Loven, 2000).

##### *San Luis Obispo*

The San Luis Obispo Police Department provides police protection within the City of San Luis Obispo. The Department has 57 sworn officers and 26 support staff who operate from one station. There are no current plans to expand the department. The police department has mutual aid agreements with other law enforcement agencies in the area (Kleiman, 1999).

##### *San Luis Obispo County*

The San Luis Obispo County Sheriff's Department has responsibility for general law enforcement in the 3,250 square miles of the county, with the exception of 69 square miles of incorporated (city) areas. The Department has three patrol stations, with 117 sworn and support personnel. The Department has mutual aid agreements with all enforcement agencies in the county, including the Morro Bay Police Department, the primary responder to MBPP (Johnson, 1999).

The San Luis Obispo County Sheriff's Department plans to expand in response to projected growth in the county. Funding for the department is derived from the General Fund and is determined on an annual basis. The Sheriff's Department, like other county services such as fire and engineering, must petition for funding new personnel. Therefore, the specific number of new personnel and associated equipment will be estimated when specific needs are identified (Johnson, 1999).

The California Highway Patrol (CHP) handles traffic matters in the unincorporated county (Johnson, 1999). The CHP provides service to the county from three stations as follows:

### CHP OFFICES/STAFF

San Luis Obispo	35 Sworn Officers 20 Support Staff
Templeton	28 Sworn Officers 4 Support Staff
Coastal Division	43 Sworn Officers 16 Support Staff

Source: Johnson, 1999.

A new office was recently built for the San Luis Obispo area; there are no plans for other new facilities or additional personnel at this time. The CHP has a mutual aid agreement with local police and sheriff's departments, state parks, beaches and hospital police officers (i.e., Atascadero State Hospital). The CHP has sufficient existing personnel and facilities to support additional temporary or permanent residents (Aguilar, 1999).

#### Fire Protection

##### *Morro Bay*

The Morro Bay Fire Department provides fire protection services to MBPP and the City of Morro Bay within a 6.2-square-mile radius. The department has one station that is staffed 24 hours per day, and one station that houses additional equipment that off-duty personnel can respond to when called back for emergencies. The Morro Bay Fire Department has a full-time staff of nine suppression personnel (a maximum of three persons on duty at one time), one fire chief and one secretary. There are eight paramedics and one nonparamedic, plus a maximum of 20 reserve firefighters, approximately 8 of whom are EMT-1. These reserves carry radio pagers and respond when necessary to assist in handling large-scale incidents, or to handle a second incident while the on-duty crew is already committed (Jones, 1999a).

When MBPP was using fuel oil systems, the plant operations included an interior fire brigade as part its normal operating practice. With the exclusive use of natural gas fuel, the fire brigade was disbanded and MBPP has since relied completely on the Morro Bay Fire Department for fire protection services. To compensate the Fire Department for these incremental services, Duke Energy has developed a contribution program to assist the Fire Department to enhance their capability. Duke Energy agreed, in May 1999, to contribute \$26,000 per year. This contribution increases by \$1,000 per year. The term of the agreement is through 2003.

The population of Morro Bay is just under 10,000, but as a tourist destination, it is not unusual for the resident and tourist population to be almost 20,000 on a weekend when motels and campgrounds are full. These fluctuations in population do not inhibit the fire department's ability to respond to emergencies (Jones, 1999a).

### *San Luis Obispo*

Fire protection for the City of San Luis Obispo is provided by the San Luis Obispo Fire Department, which has 4 stations staffed by 46 full-time employees. There are 10 administrative personnel, plus 36 firefighters with emergency response capabilities. Response time is within 4 minutes to any address within the city. San Luis Obispo Fire Department built a new firehouse in 1997. This station was designed to support the fire department into the next century. Plans for another expansion do not exist at this time (Jones, 1999b).

The fire departments in San Luis Obispo County participate in a mutual aid agreement. If there is a major incident, each can get help from neighboring jurisdictions within the county. The City of San Luis Obispo has overhead management teams of approximately 15 preassigned individuals who respond as a team to manage incidents on request for mutual aid at major fires anywhere in the state (Jones, 1999b).

The San Luis Obispo County Office of Emergency Services serves as the Certified Unified Program Agency (CUPA) in case of a disaster (City of San Luis Obispo, 1999).

### Hospitals

The County of San Luis Obispo has five acute care hospitals that provide service for the area, including Morro Bay, with a total of approximately 500 beds, 5 emergency rooms and 150 physicians/surgeons. The cities of Morro Bay and San Luis Obispo also have an estimated 56 dentists, 17 optometrists, 34 chiropractors and two walk-in "urgent care" facilities (San Luis Obispo Chamber of Commerce, 1998).

Sierra Vista Regional Medical Center is a 200-bed full-service hospital with a 24-hour emergency room. It is staffed by 200 physicians, with 700 support personnel. Average occupancy is about 61 percent (O'Neal, 1999).

French Hospital, located in San Luis Obispo, is a 135-bed full service facility with a 24-hour full-service emergency room and a helipad. Average occupancy is about 50 percent (Nicholas, 1999).

San Luis Obispo General Hospital is a fully-accredited acute care hospital, with 92 inpatient beds, including an inpatient psychiatric unit. The hospital has a fully-staffed 24-hour emergency room. The hospital is staffed by 10 county employees and approximately 100 active medical personnel. There are about 200 support personnel. Average occupancy is about 10 patients per day (Stormen, 1999). The San Luis Obispo County Health Agency also provides ambulatory care services in San Luis Obispo and Atascadero through the Family Care Centers, the hospital walk-in clinic, and a renal dialysis unit (San Luis Obispo Chamber of Commerce, 1998).

#### 6.10.1.2.7 Fiscal Resources

As of July 1, 2000, property tax for power plants (i.e., nonpublic utility) will be assessed and collected on a local basis. State Board of Equalization Rule 905 provides that, for new construction at existing power plant sites, the local city/county where the facility is located will receive the property tax revenue, based on 1 percent of Project valuation/construction costs. Property taxes for the MBPP will be assessed and collected by San Luis Obispo County.

Table 6.10-10 provides an estimate of the property tax and the allocation of the tax funds for the current Duke Energy MBPP. An overview of the estimated property tax revenue for agencies within San Luis Obispo County from the MBPP is included in the table.

**TABLE 6.10-10**  
**MBPP ESTIMATED PROPERTY TAX**  
**(2000/2001 TAX YEAR)**

ALLOCATION	ESTIMATED CURRENT PROPERTY TAX -
<b>City of Morro Bay</b>	<b>\$ 131,366</b>
County General Fund	\$ 254,109
Schools, Colleges	\$ 679,036
Air, Water, Flood, Library, Cemetery	\$ 35,489
State Water Debt	\$ 4,400
<b>Total</b>	<b>\$1,104,400</b>

### 6.10.1.3 Santa Barbara County

The following subsections summarize relevant socioeconomic information for Santa Barbara County as it is located within a 1- to 1-1/2-hour one-way travel time from MBPP established for the purpose of this analysis.

#### 6.10.1.3.1 Population

The 1998 population of Santa Barbara County was 405,500, an increase of about 9 percent from the 1990 population of 370,890. The population is projected to increase to 412,000 in the year 2000 (California Department of Finance, 1998).

Table 6.10-11 shows population characteristics and projections for Santa Barbara County. The ethnic characteristics of the county as compared with the state of California are as follows:

**TABLE 6.10-11**  
**POPULATION CHARACTERISTICS AND PROJECTIONS**  
**SANTA BARBARA COUNTY**

ETHNICITY	YEAR			
	1990 <sup>(1)</sup>	2000 <sup>(1)</sup>	2020 <sup>(1)</sup>	2040 <sup>(1)</sup>
White	245,005	244,212	235,465	218,838
Hispanic	99,104	134,725	271,593	503,743
Asian/Pacific Islander	15,185	20,218	29,780	38,369
Black	9,442	10,293	12,124	13,132
American Indian	2,157	2,623	3,907	5,165
Total County	370,893	412,071	552,846	779,247
State of California	29,760,021	32,521,000	41,373,000 <sup>(2)(4)</sup>	<sup>(4)</sup>

(1) California Department of Finance, 1998

(2) <http://www.census.gov/population/projections/state/stpjpop.txt> (Series A)

(3) Year 2015

(4) Not available at this time.

## ETHNIC CHARACTERISTICS

ETHNIC BACKGROUND	SANTA BARBARA COUNTY (Percent of Population)	CALIFORNIA (Percent of Population)
White	66	57
Hispanic	27	26
Black	2.5	7
Asian	4	9
American Indian	> 1	> 1

Source: California Department of Finance, 1998.

The populations of cities in Santa Barbara County are shown in Table 6.10-12. The largest is Santa Barbara, with a 1998 population of 91,200. Next largest are the two cities in Santa Barbara County nearest MBPP - Santa Maria, with a 1998 population of 70,800, and Lompoc, with a 1998 population of 42,300. Nearly one-half (42 percent) of the county population is in unincorporated areas.

**TABLE 6.10-12**  
**POPULATIONS OF CITIES**  
**WITHIN SANTA BARBARA COUNTY**

CITY	1997	1998
Buellton	3,580	3,750
Carpinteria	14,600	14,900
Guadalupe	6,325	6,450
Lompoc	41,550	42,300
Santa Barbara	89,800	91,200
Santa Maria	69,200	70,800
Solvang	5,100	5,250
Unincorporated	167,100	170,900
<b>Total County</b>	<b>397,200</b>	<b>405,500</b>

Source: California Department of Finance, 1998.



### 6.10.1.3.2 Economics and Employment

#### Economics

The economy of Santa Barbara County is based primarily on agriculture, tourism and operations at Vandenberg Air Force Base (AFB). The economics of northern Santa Barbara County are especially affected by military operations at Vandenberg AFB (City of Santa Maria, 1999; Lompoc Valley Chamber of Commerce, 1999).

Personal income characteristics for Santa Barbara County are provided in Table 6.10-3, which shows total county income of \$10,395 million in 1996, an increase of 39 percent from 1986 income of \$6,315 million. Over the same period, per capita income increased by 32 percent, from \$18,270 to \$27,000 (California Department of Finance, 1998).

#### Employment

Civilian employment statistics for Santa Barbara County are similar to San Luis Obispo County. The Santa Barbara County 1998 labor force was 194,900. Overall employment for the county is shown in Table 6.10-13. As shown, overall unemployment is low, at 4.6 percent for the county, ranging from a high of 12.1 percent in Guadalupe and a low of 0.8 percent in Santa Ynez (United States [U.S.] Census Bureau, 1990).

**TABLE 6.10-13**  
**CIVILIAN LABOR FORCE AND EMPLOYMENT**  
**NORTHWESTERN SANTA BARBARA COUNTY 1998**

AREA <sup>(1)</sup>	LABOR FORCE	EMPLOYMENT	UNEMPLOYMENT	
			Number	Percent
Buellton <sup>(2)</sup>	2,020	1,960	60	3.0
Carpinteria <sup>(2)</sup>	8,120	7,890	230	2.8
Guadalupe <sup>(2)</sup>	2,370	2,080	290	12.1
Isla Vista <sup>(2)</sup>	10,830	10,010	820	7.6
Lompoc <sup>(2)</sup>	17,740	16,740	1,000	5.6
Santa Maria <sup>(2)</sup>	30,020	28,250	1,770	5.9
Santa Ynez <sup>(2)</sup>	2,290	2,270	20	0.8
Solvang <sup>(2)</sup>	2,630	2,530	100	3.8
City of Santa Barbara <sup>(2)</sup>	50,970	49,210	1,760	3.4
Santa Barbara County <sup>(3)</sup>	194,900	185,900	9,000	4.6

(1) Does not include all unincorporated areas.

(2) U.S. Census Data, 1990.

(3) California Employment Development Department, 1999.

Civilian employment in Santa Barbara County reflects the area's tourist base and the importance of the UCSB, with 18,900 students and 4,000 faculty and staff (Clark, 1999). Table 6.10-14 shows employment by industry for the county, with retail trade as the largest sector (17 percent). An important industry for northwestern Santa Barbara County is Vandenberg AFB, with civilian employment of 5,300 persons (Lompoc Valley Chamber of Commerce, 1999).

Santa Barbara County has a construction workforce of about 12,350 persons. According to 1990 U.S. Census data, about 2,980 of these workers reside in the Lompoc/Santa Maria area.

#### 6.10.1.3.3 Housing

Housing characteristics for Santa Barbara County are shown in Table 6.10-15. As of January 1998, there were an estimated 144,300 housing units in the county, including single-family, multiple-family and mobile homes with an overall vacancy rate of 6.33 percent (California Department of Finance, 1998). Countywide, the median value of owner-occupied housing was \$250,000, and median rent was \$606 (U.S. Census Bureau, 1990).

#### 6.10.1.3.4 Schools

Santa Barbara County has 23 school districts. Of these, seven are located in the northwestern Santa Barbara County areas of Santa Maria, Lompoc, Buellton, Los Olivos, Santa Barbara, Santa Ynez and Solvang. As shown in Table 6.10-16, the schools in these districts had an enrollment of 35,900 students during the 1998-1999 school year. Also shown, is a general increase in enrollment from 1993 to present, ranging from an increase of 74 students (6.4 percent) in the Guadalupe Union Elementary District to an increase of 1,027 students (10.1 percent) in the Santa Maria Joint Union High School District (Education Data Partnership, 1999).

### 6.10.2 IMPACTS

Significant criteria were determined based on California Environmental Quality Act (CEQA) Guidelines, Appendix G, Environmental Checklist Form (approved January 1, 1999) and on

**TABLE 6.10-14**

**EMPLOYMENT BY INDUSTRY<sup>(1)</sup>**  
**SANTA MARIA, LOMPOC, SANTA BARBARA COUNTY - 1990**

INDUSTRY	NUMBER EMPLOYED					
	Santa Maria		Lompoc		Santa Barbara County	
	Number	Percent of Total <sup>(2)</sup>	Number	Percent of Total <sup>(2)</sup>	Number	Percent of Total <sup>(2)</sup>
Agriculture, Forestry, Fisheries	4,284	16	942	6	12,521	7
Mining	335	1	714	4	1,839	1
Construction	1,909	7	1,075	7	12,352	7
Manufacturing, Nondurable Goods	1,314	5	281	2	5,284	3
Manufacturing, Durable Goods	1,972	7	2,270	14	18,231	10
Transportation	867	3	451	3	4,700	3
Communications and Other Public Utilities	822	3	515	3	4,074	2
Wholesale Trade	1,166	4	349	2	4,901	3
Retail Trade	4,812	18	2,621	4	30,648	17
Finance, Insurance, Real Estate	1,281	5	766	5	11,824	7
Business and Repair Services	1,220	5	788	5	9,406	5
Personal Services	1,052	4	598	4	8,414	5
Entertainment and Recreation Services	295	1	206	1	2,759	2
Professional and Related Services						
Health Services	1,673	6	895	6	12,331	7
Educational Services	1,696	6	1,120	7	18,270	10
Other Professional and Related Services	1,218	5	863	5	14,999	8
Public Administration	928	3	1,454	9	7,664	4
<b>TOTAL EMPLOYED</b>	<b>26,844</b>	<b>100</b>	<b>15,908</b>	<b>100</b>	<b>180,217</b>	<b>100</b>

98-710/Rpts/AFC(text)/TbIs(new) (10/19/00/rw)

(1) Persons 16 years and over.

(2) May not add due to rounding.

Source: 1990 U.S. Census Data. Database C90STF3A.

**TABLE 6.10-15**  
**SELECTED HOUSING CHARACTERISTICS**  
**SANTA BARBARA COUNTY**  
**JANUARY 1, 1998**

LOCATION	SINGLE FAMILY	MULTIPLE 2-5 UNITS	MOBILE HOMES	NUMBER OCCUPIED	NUMBER VACANT	PERCENT VACANT	TOTAL HOUSING UNITS	PERSONS PER HOUSEHOLD
Buellton	919	128	429	1,377	99	6.71	1,476	2.72 <sup>(1)</sup>
Carpinteria	2,625	2,020	950	5,078	517	9.24	5,595	2.89
Guadalupe	1,263	289	7	1,530	29	1.86	1,559	4.19 <sup>(1)</sup>
Isla Vista	362	942	6	5,111	402	7.29	5,513	
Lompoc	8,282	4,734	925	13,246	695	4.99	13,941	2.96 <sup>(1)</sup>
Santa Barbara	19,630	16,612	462	34,801	1,903	5.18	36,704	2.55
Santa Maria	14,947	6,665	1,657	21,908	1,361	5.85	23,269	3.20 <sup>(1)</sup>
Santa Ynez	(2)	(2)	(2)	1,493	71	4.8	1,564	28
Solvang	1,432	616	169	2,045	172	7.76	2,217	2.47 <sup>(1)</sup>
Total Incorporated	49,098	31,064	4,599	79,985	4,776	5.94	84,761	3.00 <sup>(1)</sup>
Total Unincorporated	42,840	12,403	4,296	55,540	3,999	6.72	59,539	2.91 <sup>(1)</sup>
<b>TOTAL COUNTY</b>	<b>91,938</b>	<b>43,467</b>	<b>8,895</b>	<b>135,525</b>	<b>8,775</b>	<b>6.33</b>	<b>144,300</b>	<b>2.97</b>

98-710/Rpts/AFCtext/Tbls(new) (10/19/00/rw)

(1) Does not calculate exactly, due to rounding.

(2) Not available at this time.

Source: California Department of Finance, Demographic Research Unit Web Page. March 23, 1999.

**TABLE 6.10-16**  
**SCHOOL ENROLLMENT**  
**NORTHWESTERN SANTA BARBARA COUNTY**  
**1998-1999 SCHOOL YEAR**

SCHOOL DISTRICT	1998-1999 ENROLLMENT	GRADES
Buellton Union	585	K-8
Lompoc Unified	11,502	K-12
Los Olivos	286	K-8
Santa Barbara	15,860	K-12
Santa Maria	15,539	K-12
Santa Ynez Valley Union	1,075	9-12
Solvang	687	K-8

Source: California Public School Directory, California Department of Education.

performance standards or thresholds adopted by responsible agencies. Socioeconomic impacts shall be based on the following:

- Substantial displacement of homes, businesses, or population.
- A demand for community resources (including housing, schools, utilities, and public services) that could not be easily met by the available resources or if the provision of the service results in inadequate services for other existing users.
- Substantial population growth.
- Substantial adverse physical impacts from establishment of public services or facilities.
- Exceed wastewater treatment requirements or require new or expanded wastewater treatment facilities.

In accordance with the CEQA Guidelines, economic and social changes from a project are not treated as significant effects on the environment. Where a physical change is caused by economic or social effects of a project, the physical change may be regarded as a significant effect in the same manner as any other physical change resulting from the project. If the physical change causes adverse economic or social effects on people, those adverse effects may be used as a factor in determining whether the physical change is significant (California Code of Regulations, Title 14, Section 15064[e]).

The primary socioeconomic impacts of the Project are expected to be short-term and occur during the initial tank farm removal work (months 1 through 3) and the 21 month period the new combined cycled units are installed, tested and placed in operation (months 3 through 23). As shown in Figure 6.10-4, the Project's construction workforce is estimated to peak at 831 workers (in two shifts) in month 13 of the Project or in the fourth quarter of 2002. An average of approximately 323 construction workers will be onsite during the high activity period of the construction schedule (month 1 through month 23).

As shown in Figure 6.10-4, the plant demolition and pump house façade restoration will commence in month 26 and continue through month 72. An average of 38 workers will be required over this 47-month period. The peak work force will total less than 80 workers during the building and stack demolition phases in this period.

Most of these construction workers will come from the general San Luis Obispo County and northern Santa Barbara County area, and most will commute daily. Some may establish temporary residence (weekly, monthly) in local hotels and motels, while others may stay in nearby RV parks. Based on the number of construction workers and time of year, the influx of construction personnel will be in addition to the normal tourist industry, which can peak at about 20,000 visitors (the Harbor Festival has drawn up to 40,000 for the two days) per day during special events. The tourist season is highest in June through October and lowest in November through May (City of Morro Bay Chamber of Commerce, 1999).

The Project is expected to have a local construction payroll of \$67 million. It is also estimated that \$10.3 million of equipment and materials will be purchased locally during Project construction. The current and projected future (with Project) annual operational payroll at MBPP is approximately \$8.6 million (in Year 2000 dollars). Local expenditures (i.e., San Luis Obispo County) for maintenance and materials/supplies for current and projected future operations (with Project) total approximately \$260,000 annually (in Year 2000 dollars).

#### 6.10.2.1 Construction Impacts

##### 6.10.2.1.1 Construction Work Force

The construction work force for the Project consists of separate groups of personnel for each component of the Project:

- Removal of the existing onsite tank farms.
- Construction of the two new combined cycle units.
- Demolition of the three 450-foot-tall stacks that support Units 1 through 4.
- Modification of the exterior facade of the seawater intake structure.
- Demolition of the existing boiler/turbine building currently used to house Units 1 through 4.

Figure 6.10-4 shows work force requirements for each component of the Project.

As shown in Figure 6.10-4, the initial staffing for the construction of the combined-cycle unit will begin during month 3 of the Project schedule. This number will steadily increase to an average peak of about 690 during months 9 through 16 of the Project schedule, and consistently decrease through the last month. An estimated 831 construction workers will be required for the Project during the peak month of construction (month 13 of the Project schedule]). This peak worker demand consists of 631 workers for the day shift and 200 workers for a second shift.

##### 6.10.2.1.2 Population (Construction)

Based on available data, most construction workers for the Project are expected to be provided by the existing construction work force in San Luis Obispo and Santa Barbara counties. The Project's construction work force requires a variety of construction trades, further assuring an adequate supply of workers from the local area. As a result, most workers are expected to commute daily during Project construction. A limited number (projected at less than 5 percent of the constructor work force) may commute weekly, returning home for weekends and holidays. Due to the relatively short-term needs for construction workers from the various crafts, these workers are not expected to relocate in response to the Project.

Some supervisory positions during the construction phase may be filled by Duke Energy personnel from outside the area. This could result in the temporary relocation of these workers and their families. However, these numbers are anticipated to be small, and potential impacts from Duke Energy personnel from outside the area will be negligible.

FIGURE 6.10-4



#### 6.10.2.1.3 Employment and Economy (Construction)

Project construction will benefit the area by providing employment for construction workers and increased spending for capital equipment during the 21-month period for installation of the new units. The maximum number of workers by craft required for the plant construction and worker availability is shown in Table 6.10-17. Construction employment in San Luis Obispo County and Santa Barbara Counties is expected to increase concurrently with existing and projected population growth in the two counties. As a result, the number of available workers will continue to increase between the present time and peak Project construction, expected to occur from August 2002 through April 2003. As a result, the demand for Project construction labor needs is expected to be met by workers in the study area.

**TABLE 6.10-17**  
**PROJECT CONSTRUCTION LABOR NEEDS AND**  
**AVAILABLE LABOR BY CRAFT**

CRAFT	MAXIMUM WORKERS NEEDED BY CRAFT	TOTAL WORKERS IN SAN LUIS OBISPO AND SANTA BARBARA COUNTIES BY CRAFT <sup>(1)</sup>
Boilermaker	26	40
Carpenter	36	1,000
Clerk/Administration	26	(2)
Electrician/Technician	68	500
Engineering Management <sup>(3)</sup>	40	400
Equipment Operator/ Teamster	64	1,200
Iron Worker	24	40
Laborer	77	500
Millwright	34	60
Pipe Fitter	44	225

(1) As of June 1999.

(2) Based on characteristics of the local work force, the number of workers required would be readily available.

(3) Includes Supervisor, Engineer, Resident Engineer, Superintendent, Surveyor.

Source: Duke Energy, 1999.

Project construction also will generate secondary employment, which includes indirect jobs and induced jobs. Indirect jobs are those supported through local purchases of supplies and equipment

for project construction and operations. Induced jobs are those that are supported by local purchases made by households whose income is derived from the Project.

The Impact Analysis for Planning model (IMPLAN) is used by the University of California, Berkeley, for estimating employment multipliers for regional economies. Based on IMPLAN, the construction multiplier for major facilities in San Luis Obispo County is estimated to be 1.1 (Goldman, 1999). This indicates that each new construction job supports approximately 1.1 secondary jobs in the regional economy. The average of about 323 construction jobs at MBPP would support an additional 355 secondary jobs in San Luis Obispo County during the tank farm and combined cycle construction periods. During the demolition and façade work, the average 38 construction workers will support an additional 42 secondary jobs in San Luis Obispo County. This secondary employment will benefit the economy of the county by reducing the unemployment rate and increasing local purchases.

#### 6.10.2.1.4 Housing (Construction)

As discussed above, it is anticipated that the Project construction work force will be provided locally. However, some construction workers may choose to commute to the site on a workweek basis (projected at less than 5 percent of the construction work force). Temporary relocation of construction workers on a work-week basis during the 21 month new generation facility construction period is expected to be minimal and accommodated by local hotels, motels and the area's numerous RV parks.

#### 6.10.2.1.5 Schools (Construction)

Since the majority of Project construction workers are anticipated to be provided from within commuting distance in the study area, they are not expected to relocate. As a result, school children are not expected to relocate, and school enrollments would not be affected as a result of Project construction.

#### 6.10.2.1.6 Utilities (Construction)

Project construction will not place demands that cannot be met by existing utility capacities. Expansion or accommodation by utilities will not be necessary.

#### 6.10.2.1.7 Emergency and Other Services (Construction)

Emergency services during the construction phase will be coordinated with the Morro Bay Fire Department. First aid kits and fire extinguishers will be located throughout the construction areas, and foremen and supervisors will be trained in first aid (see Section 6.17 - Worker Safety).

The MBPP is currently, and will continue to be, secured by a security fence around the perimeter and other areas that require controlled access. Security guards also will continue to be present during Project construction.

Ambulance service will continue to be provided by San Luis Ambulance Service, Inc., which transports to the Sierra Vista Regional Medical Center in San Luis Obispo (Javine, 1999). It is not anticipated that the Project will place a significant demand on these services.

Additional fire prevention and police resources are being proposed by Duke Energy as part of the Project to address potential shortfalls in manpower and other resource requirements within the City of Morro Bay Fire Department and City of Morro Bay Police Department. Duke Energy proposes that this "Fire Safety and Police Services Program" will ensure that the City can fulfill several functions during the life of the project, including:

- Emergency response, if required.
- Plan check responsibilities once construction plans are available.
- "Command and Control" and overall management responsibilities.
- Inspection and training requirements.
- Police emergency services, if required.
- Construction traffic management.

This program is described in Appendix 6.10-5. This program, as part of the Project, will become enforceable through the Commission licensing process, and will commence once the removal of the tank farm begins.

Furthermore, Duke Energy acknowledges that the City of Morro Bay may also require resources to provide input to the Commission licensing process for the review of applicable local fire safety and police services requirements. Duke Energy and the City have agreed that the proposed Cost Reimbursement Agreement between the parties includes reimbursement for costs associated with the fire review that the City may incur, and that the proposed Fire Safety and Police Services Program will address potential shortfalls in manpower during the Project construction and demolition phase once the Project is approved and Duke Energy elects to proceed with the Project.

In each phase of the Project, Duke Energy and the City of Morro Bay will develop plans and programs to assure adequate emergency services are maintained for both the Project and the local communities.

#### 6.10.2.1.8 Fiscal Resources (Construction)

The purchasing of equipment and supplies through local merchants, and local spending by construction workers and employee households, will generate income for local governments in the form of sales tax revenues. The estimated construction payroll is \$67 million. An estimated \$10.3 million worth of equipment and materials will be purchased locally during construction. The Project is expected to generate \$1,800,000 sales tax revenue for the City of Morro Bay during the construction portion of the Project.

#### 6.10.2.2 Operations/Maintenance Impacts

##### 6.10.2.2.1 Operations Work Force

The MBPP workforce is approximately 77 employees. Because the Project includes the replacement of Units 1 through 4, those personnel can be transferred to the new combined cycle units. As a result, the Project will be a source of continued employment for existing personnel and will require no additional operations employees.

##### 6.10.2.2.2 Population (Operations)

The Project will require no new operations employees. As a result, there will be no population impacts associated with the Project.

##### 6.10.2.2.3 Employment and Economy (Operations)

Project operations will create no new permanent jobs. As a result, the Project will not result in additional secondary employment in the region. However, continued power plant operation will provide stability for the estimated 100 secondary jobs created by the existing work force.

As discussed in Section 6.10.1, tourism is an important element of the Morro Bay economy. To determine whether the historic and current operations of MBPP have affected the tourist industry in

Morro Bay, a study was conducted by a regional economic research consultant (SA Nukes & Associates) (see Appendix 6.10-1). The following are the findings of this analysis:

- The MBPP was constructed in the early 1950s, prior to Morro Bay becoming a tourist destination.
- Since 1990, the City of Morro Bay has shown significant tourism growth, with a significant portion of this growth occurring since 1997 (see Figure 6.10-1).
- This growth has occurred in spite of El Niño rains and the temporary closure of Highway 1, due to weather damage.
- Tourism growth in Morro Bay has outperformed tourism growth in Pismo Beach, the other major coastal city in San Luis Obispo County with a significant amount of tourism activity.
- Since 1998, tourism growth in the City of Morro Bay has exceeded other cities within San Luis Obispo County, with the only exception being the City of Paso Robles with a slightly higher percent growth rate. Paso Robles' growth is due to the popularity of wine tasting in the area. Gross tourism dollar revenue increases were higher in Morro Bay than Paso Robles.
- Tourism in Morro Bay is on an upward trend. Overnight tourism in Morro Bay increased over 20 percent between 1998 and 1999.

Based on the above findings showing growth in Morro Bay tourism and the fact that Morro Bay has become a tourist destination since the construction of the power plant, it can be concluded that the power plant has no significant impact on tourism in Morro Bay. In addition, based on case studies of construction of industrial facilities, including power plants, it can be concluded that, with the site improvements that will occur at the MBPP as a result of the Project (i.e., improved visual aspects, reduced air emissions, and reduced sound levels), the construction and operation of the Project will also have no significant impact on tourism in Morro Bay (see Appendix 6.10-4).

The existing and ongoing operation and location of the MBPP cooling water system do not restrict the areas in which commercial fishers may operate nor does it impede the operation of fishing vessels (see Appendix 6.10-3). The MBPP intake structures are located on the northeastern shore of Morro Bay near the commercial docks and the North T-Pier. The intake structures are removed from the harbor channel and harbor mouth and are not situated near commercially productive fishing grounds. Cooling water is discharged into Estero Bay from a man-made channel located along the northeastern side of Morro Rock. Similar to the intake structure, the discharge is not located on commercially productive fishing grounds.

The MBPP cooling water system is expected to have no appreciable effect on local commercial fisheries. Commercial fishing activity within Estero bay and in the vicinity of MBPP is minimal.

Most of the habitat several miles to the north, south, and west of Morro Bay does not support commercially viable populations of valued species (with the exception of commercial crab species) except on a seasonal basis (e.g., salmon, halibut, surfperch). Benthic substrata in the area are predominated by sand, which supports relatively limited populations of commercial fish or invertebrate species. Rocky reefs, which generally support more diverse and abundant species assemblages, are small and isolated in the Morro Bay area. Fishing activity in the vicinity of the MBPP is also limited by gear restrictions. Gill nets are required by law to be set in water depths of greater than 30 fathoms (180 feet) to reduce the incidental take of sea otters.

#### 6.10.2.2.4 Housing (Operations)

Project operations will create no new permanent jobs. As a result, there will be no new employees moving into the area, and no impact on area housing as a result of Project operations.

As discussed in Section 6.10.1, the trend of median single-family housing values in Morro Bay through the 1990s compares to the trend for San Luis Obispo County (see Figure 6.10-2). To determine whether the historic and current operations of MBPP have affected housing values in Morro Bay, a study was conducted by a regional economic forecasting consultant - UCSB - Economic Forecast Project (see Appendix 6.10-2). The following are the findings of this analysis:

- Housing values (represented by the median home selling price) in Morro Bay demonstrate no apparent difference in their relative change over time, compared to other enclaves, communities, or cities in San Luis Obispo County.
- Relative housing value changes in Morro Bay are closely associated with housing value changes for the typical community in San Luis Obispo County. Home price movements over time in Morro Bay have closely tracked average housing price movement in greater San Luis Obispo County from 1990 to 1999.
- The behavior of housing values in Morro Bay (represented by the year to year movement in the median home selling price) does not differ significantly from typical housing price movements in other jurisdictions in San Luis Obispo County. This includes both inland and coastal San Luis Obispo County communities.
- Home sales in Morro Bay have been more robust, especially in 1998 and 1999, than in most other enclaves, cities or cities of San Luis Obispo County.
- Despite relatively limited residential development activity in Morro Bay, housing values in Morro Bay are greater than the median value of a home sold in San Luis Obispo County, and many other jurisdictions in the County.

- One of the reasons that median home selling prices are not higher (or selling prices have not increased by an even higher percentage between 1995 and 1999) in Morro Bay is due to the modest new single-family home building environment.
- With fewer new homes either permitted or constructed in the Morro Bay area, values of existing home sales are not influenced as much by new product being sold in the area. The evidence on new home values clearly shows that new homes generally sell for a higher price than existing homes throughout San Luis Obispo County. This has been especially true from 1997 to 1999.

Based on these findings, it can be concluded that current operations of MBPP have no significant impact on housing values in Morro Bay. In addition, it can be concluded that with the site improvements that will occur at the MBPP as a result of the Project (i.e., improved visual aspects, reduced air emissions, and reduced sound levels), the Project and the continued operation of MBPP will also have no significant impact on housing values in Morro Bay.

#### 6.10.2.2.5 Schools (Operations)

There will be no population-related impacts to local schools as the Project will not require additional operations personnel. There will, however, be beneficial fiscal impacts as a result of property taxes and school impact fees.

#### Property Taxes

Funding for schools in California is relatively complicated. Part of the money comes from the state and part from local property taxes. According to the state Department of Education, the average for California is about 75 percent state monies and 25 percent local property taxes. Money from the state varies from district to district based on entitlements, categorical funds (more than 100 different funds), property taxes collected, special student populations and other factors (deSilva, 1999). As an example, the San Luis Coastal Unified School District receives about 4 percent of its revenues from the state, and 96 percent from property taxes. The district is a "Basic Aid" district, meaning that it receives a greater percentage from property tax revenues than does a more typical district. The San Luis Coastal School District receives \$6,014 per "average daily attendance" (one student for 180 days of attendance), while it expends \$5,400 per student (Hunter, 1999).

The affected school district will be paid by property taxes on a county level. The property taxes that will be paid by MBPP will be assessed for valuation consistent with past state valuation procedures (see 6.10.1.8, Fiscal Resources). Tables 6.10-18 and 6.10-19 show that the San Luis Coastal Unified School District receives approximately 38 percent of property taxes from the City of Morro Bay. Based on the current allocation of property taxes, the Project would contribute approximately \$3.73 million to the San Luis Coastal Unified School District on an annual basis.

#### School Impact Fees

The school district in which development occurs (San Luis Coastal Unified) will recommend to the California Energy Commission (Commission) whether school impact fees will be applicable after analysis of the MBPP Application for Certification (AFC). School impact fees are in addition to the annual property tax allocated to San Luis Coastal School District. In accordance with the school impact fee is a maximum assessment of \$0.31 per square foot for commercial/industrial space. This rate is scheduled to increase in 2000 and every 2 years thereafter.

For the purpose of estimating school impact fees, the MBPP Project contains 2,500 square feet of industrial space. This space consists of the control room for the new combined cycle units. Based on the existing rate of \$0.31 per square foot, the Project would contribute \$775 as a one-time school impact fee to the San Luis Coastal Unified School District.

#### 6.10.2.2.6 Utilities (Operations)

The Project will not create a demand for utilities that cannot be provided by current local providers. As discussed in Section 6.10.1.2.5, adequate supplies and capacity are available in Morro Bay for water, sewer, electricity and natural gas required by the Project. To do so, since the operations work force will not increase and waste volumes are expected to be equivalent to current operations, no increase in sewer use is anticipated. As for current operations, when the MBPP is completely shut down, PG&E supplies electricity to the MBPP from the Morro Bay switchyard. The existing gas pipeline from PG&E is currently serving, and can continue to serve, the MBPP.



**TABLE 6.10-18**

**SAN LUIS OBISPO COUNTY**

**PROPERTY TAX ALLOCATION**

**PROJECTED FOR THE 2004/2005 TAX YEAR**

**DUKE ENERGY - MORRO BAY POWER PLANT PROPERTY<sup>(1)</sup>**

Morro Bay Power Plant Assessment <sup>(2)</sup>	\$ 110,000,000
Morro Bay Power Plant Development <sup>(2)</sup>	\$ 77,000,000
Proposed Plant Upgrade <sup>(3)</sup>	\$ 486,000,000
Total Assessment	\$ 519,000,000
Property Tax Levy 2003/2004 Tax Year <sup>(4)</sup>	1.0004
Estimated Duke Energy Annual Property Tax without Project	\$ 1,104,400
• Annual Property Tax Paid Locally Without Project	\$ 1,100,000
• Annual Property Tax Paid for the State Water Debt Without Project	\$ 4,400
Estimated Duke Energy Annual Property Tax with Project	\$ 5,500,000
• Annual Property Tax Paid Locally With Project	\$ 5,478,000
• Annual Property Tax Paid for the State Water Debt With Project	\$ 22,000

- (1) Estimated property tax payments from the MBPP. Taxes are assumed to be paid locally, consistent with the anticipated passage of Rule 905 by the State Board of Equalization, which shifts tax authority to the county of San Luis Obispo.
- (2) Based on the estimated value for MBPP Units 1 through 4.
- (3) Based on the estimated cost of the new combined-cycle units with an in-service date of the summer of 2003.
- (4) Source is San Luis Obispo County Auditor-Controller. The 1.0004 percent includes 1 percent for county agencies and services and 0.0004 percent for The State Water Debt.

**TABLE 6.10-19**

**ALLOCATION OF DUKE ENERGY PROPERTY TAXES<sup>(1)</sup>**  
**TAX YEAR 2003/2004**

COUNTY FUND/SERVICE	ALLOCATION FACTORS PERCENT <sup>(1)(2)</sup>	ESTIMATED PROPERTY TAXES WITHOUT PROJECT <sup>(2)</sup>	ESTIMATED PROPERTY TAXES WITH PROJECT <sup>(4)</sup>	INCREASE FROM THE PROJECT <sup>(4)</sup>
<b>City of Morro Bay</b>	<b>11.942386</b>	<b>\$ 131,366</b>	<b>\$ 658,080</b>	<b>\$ 526,714</b>
County General Fund	23.100777	\$ 254,109	\$ 1,272,958	\$ 1,018,849
Air Pollution Control District	0.063972	\$ 704	\$ 3,525	\$ 2,821
City/County Library	1.732927	\$ 19,062	\$ 95,492	\$ 76,430
San Luis Flood Control District	0.245428	\$ 2,700	\$ 13,524	\$ 10,824
Nacimiento Water Service	0.265687	\$ 2,923	\$ 14,641	\$ 11,718
Cayucos-MB Cemetery	0.918278	\$ 10,101	\$ 50,601	\$ 40,500
San Luis Coastal Unified School District (Cuesta College)	37.692110	\$ 414,613	\$ 2,077,007	\$ 1,662,394
San Luis Obispo Community College	6.705040	\$ 73,755	\$ 369,478	\$ 295,723
County School Service	3.973390	\$ 43,707	\$ 218,952	\$ 175,245
ERAF (Schools)	13.360006	\$ 146,960	\$ 736,197	\$ 589,137
<b>TOTAL TO COUNTY</b>	<b>100.000000</b>	<b>\$1,100,000</b>	<b>\$ 5,488,415</b>	<b>\$ 4,388,415</b>
State Water Debt	0.4	\$ 4,400	\$ 22,042	\$ 17,642
<b>TOTAL PAYMENTS</b>	<b>100.4</b>	<b>\$1,104,000</b>	<b>\$ 5,532,498</b>	<b>\$ 4,428,498</b>

98-710/Rpts/AFC(text)/TbIs(new) (10/20/00/rm)

(1) Property tax values taken from Table 6.10-10.

(2) Allocation factors from San Luis Obispo County Auditor-Controller.

(3) Assumes \$110,000,000 as the value for Units 1 through 4.

(4) Assumes combined-cycle power plant of \$230,000,000 plus \$110,000,000 for Units 1 through 4.

#### 6.10.2.2.7 Emergency and Other Services (Operations)

During plant operation, fire protection will continue to be provided at MBPP through fire extinguishers, hose reels, and foam carts as described in Section 6.17.1.3.2 (Fire Suppression). Operations at the modernized MBPP will continue to rely on the Morro Bay Fire Department and Duke Energy will maintain its current agreement to support the Department through annual funding for a contribution program to assist the Fire Department. Even so, the potential demand for fire protection may actually be less, as the Project includes removal of six existing onsite fuel oil storage tanks.

The MBPP is currently, and will continue to be, secured by a security fence around the perimeter and other areas that require controlled access. Security guards also will continue to be present. Although the Morro Bay Police Department will respond in an emergency, Project operation will not place additional demand on department services.

#### 6.10.2.2.8 Fiscal Resources (Operations)

Property tax allocations for the City of Morro Bay and the anticipated property tax revenues from the Project are shown in Tables 6.10-18 and 6.10-19. As shown, the MBPP property tax assessment is expected to increase from \$110 million to \$519 million. At the property tax assessment rate of approximately 1.0004 percent, the annual MBPP tax will increase from \$1.10 million to \$5.5 million (see Table 6.10-20).

State Board of Equalization Rule 905 determines that the property tax for MBPP will be assessed and collected by San Luis Obispo County. Table 6.10-20 estimates the tax distribution to the City of Morro Bay and major sectors receiving property tax funds.

**TABLE 6.10-20****MBPP ESTIMATED PROPERTY TAX  
(2004/2005 TAX YEAR)**

ALLOCATION	ESTIMATED PROPERTY TAX WITH PROJECT	ESTIMATED INCREASE
<b>City of Morro Bay</b>	<b>\$ 658,080</b>	<b>\$ 526,714</b>
County General Fund	\$ 1,272,958	\$ 1,018,849
Schools, Colleges	\$ 3,401,635	\$ 2,722,600
Air, Water, Flood, Library, Cemetery	\$ 177,783	\$ 142,293
State Water Debt	\$ 22,042	\$ 17,642
<b>Total</b>	<b>\$ 5,532,498</b>	<b>\$ 4,428,498</b>

Franchise fees paid to the City of Morro Bay from fees paid by Duke Energy to PG&E for natural gas transportation to MBPP are expected to be \$850,000 per year. The actual fees paid will vary as a function of the franchise fee rate, the price of natural gas and the actual operating levels of MBPP.

As the Project maintains the existing operational workforce at MBPP, the annual operational payroll for MBPP with the Project is approximately \$8.6 million dollars (in Year 2000 dollars). Local expenditures (i.e., San Luis Obispo County) for maintenance and materials/supplies for MBPP with the Project are estimated at approximately \$260,000 annually (in Year 2000 dollars).

The City of Morro Bay requested that payments to the City from property tax, franchise fee and other city fees be supported on a year by year basis so the City of Morro Bay can approach long-term programs with some degree of certainty. Duke Energy has agreed to support a minimum funding for the City of \$2,000,000 per year from these sources. Duke Energy will provide the City additional funding should the combined taxes and fees not total the \$2,000,000.

#### 6.10.2.2.9 Statewide Electricity Cost Savings

Modernization of the MBPP is estimated to save California electric consumers approximately \$1.5 billion to \$2.6 billion from 2003 to 2016. This is because the additional, efficient electric capacity at MBPP will reduce the marginal clearing price in the California Power Exchange (PX) during many hours. Reductions in this clearing price reduces the price of all electricity sold

through or indexed to the PX for that hour, not just the output of the Project. Therefore the Project's economic impact will include these estimated electric cost savings for consumers throughout the state.

#### 6.10.2.2.10 Environmental Justice Screening Analysis

For power plant siting cases, the Commission follows the federal guidelines screening process for environmental justice (U.S. Environmental Protection Agency, 1998). This two-step process assesses:

- Whether the potentially affected community includes minority and/or low income populations.
- Whether the environmental impacts are likely to fall disproportionately on minority and/or low-income members of the community.

According to the guidelines, a minority population exists if the minority percentage of the affected area is 50 percent or more of the general population. As discussed in Section 6.10.1.2.1, the minority population of San Luis Obispo County is 19 percent, considerably less than the 50 percent standards. Table 6.10-21 shows that individual communities in the county also have low minority populations. As discussed in Section 6.10.1.3.1, the minority population of Santa Barbara County at 34 percent, also considerably less than the 50 percent standard. Table 6.10-22 shows that most individual communities in Santa Barbara County also have low minority populations. The exception is Guadalupe, where minorities (nonwhite) comprise 70 percent of the population. This community, located west of Santa Maria in Santa Barbara County, would not experience adverse effects from the Project as they relate to Environmental Justice issues. As a result, there appears to be no potential environmental justice issue based on minority population in the study area.

To assess low income populations, the U.S. Census determination of poverty level was used, assuming the same 50 percent criterion as used to determine minority population. According to 1990 U.S. Census data, Poverty Level by Age, the poverty threshold for a U.S. family of four is \$12,674 (U.S. Census, 1993). As shown in Table 6.10-23, the number of persons living below the poverty level in San Luis Obispo County as a whole, and within the individual communities, is less than 50 percent in every case. As shown in Table 6.10-24, the number of persons living below the poverty level in Santa Barbara County as a whole and within the individual communities also is below 50 percent in every case (U.S. Census Bureau, 1993). As a result, there appear to be no environmental justice issues based on low income population in the study area.

**TABLE 6.10-21**

**POPULATION CHARACTERISTICS BY ETHNICITY  
SAN LUIS OBISPO COUNTY AND COMMUNITIES - 1990**

	ETHNICITY						
	White		Black	American Indian <sup>(1)</sup>	Asian or Pacific Islander	Other	Total Population
	Number	Percent					
Arroyo Grande	13,335	93	104	122	524	293	14,378
Atascadero	21,984	94	246	293	222	603	23,348
Baywood - Los Osos	13,254	92	59	183	652	229	14,377
Cambria	5,156	96	12	39	63	112	5,382
Cayucos	2,745	97	16	9	12	40	2,822
Grover Beach	10,041	86	181	172	539	723	11,656
Lake Nacimiento	1,399	96	21	0	24	8	1,452
Morro Bay	9,107	93	79	152	186	278	9,802
Nipomo	6,035	85	33	108	145	788	7,109
Oceano	5,190	84	46	83	184	665	6,168
Paso Robles	15,838	84	672	308	344	1,602	18,764
Pismo Beach	7,319	95	37	0	205	108	7,669
San Luis Obispo	37,227	89	818	278	2,122	1,513	41,958
San Miguel	1,005	96	0	16	0	25	1,046
Templeton	2,576	96	55	0	22	24	2,677

98-710/Rpts/AFC(text)/TbIs(new) (10/19/00/rw)

Source: U.S. Census, 1990.

(1) Includes Eskimo, Aleut.

**TABLE 6.10-22**

**POPULATION CHARACTERISTICS BY ETHNICITY  
SANTA BARBARA COUNTY AND COMMUNITIES - 1990**

	ETHNICITY						
	White		Black	American Indian <sup>(1)</sup>	Asian or Pacific Islander	Other	Total Population
	Number	Percent					
Buellton	2,924	83	9	50	59	464	3,506
Carpenteria	11,211	82	59	90	330	2,057	13,747
Guadalupe	1,624	30	37	22	528	3,268	5,479
Lompoc	26,551	70	2,154	306	2,039	5,599	37,649
Santa Barbara	66,415	78	2,174	782	1,929	14,271	85,571
Santa Maria	37,722	61	1,350	582	3,716	17,914	61,284
Solvang	4,476	94	12	13	99	141	4,741
Santa Ynez	4,037	96	8	25	68	62	4,200
Isla Vista	15,963	78	517	173	2,443	1,299	20,395
Total Incorporated	170,923	72	7,120	2,243	11,211	45,075	236,572
Total Unincorporated	114,538	86	3,282	1,108	5,218	8,890	133,036
<b>Santa Barbara County Total</b>	<b>285,461</b>	<b>77</b>	<b>10,402</b>	<b>3,351</b>	<b>16,429</b>	<b>53,965</b>	<b>369,608</b>

98-710/Rpts/AFC(text)/TbIs(new) (10/19/00/rw)

(1) Includes Eskimo, Aleut.

Source: U.S. Census, 1990.

**TABLE 6.10-23****POVERTY LEVEL PROFILE  
SAN LUIS OBISPO COUNTY**

CITY/COMMUNITY	POPULATION BELOW POVERTY LEVEL	
	Percent	Number of Persons
Arroyo Grande	9	1,184
Atascadero	9	1,805
Baywood - Los Osos	8	1,028
Cambria	4	197
Cayucos	8	211
Grover Beach	15	1,465
Lake Nacimiento	9	119
Morro Bay	11	976
Nipomo	18	1,103
Oceano	18	926
Paso Robles	16	2,563
Pismo Beach	8	570
San Luis Obispo	38	11,140
San Miguel	14	132
Templeton	11	262
Total County	7	26,369

Source: U.S. Census, 1990.

**6.10.2.3 Cumulative Impacts**

The potential for cumulative socioeconomic impacts exists when there are other projects proposed in the Study area with overlapping construction schedules and employment opportunities. Multiple new projects, or projects with overlapping construction schedules, could potentially result in a demand for labor that cannot be met by the local labor pool. This could result in an influx of nonlocal workers and their dependents, and in turn, potentially impact the resources of the host communities.

As a rule, a power plant project like the one proposed at Morro Bay, does not result in increased burdens on city or county services, once operational. Therefore, the modernized MBPP will not add to typical infrastructure demands associated with other projects that can increase demands on roads, sewers, schools and police, as well as, other county and city services.



**TABLE 6.10-24****POVERTY LEVEL PROFILE  
SANTA BARBARA COUNTY**

CITY/COMMUNITY	POPULATION BELOW POVERTY LEVEL	
	Percent	Number of Persons
Buellton	8	388
Carpinteria	16	802
Guadalupe	3	1,305
Isla Vista	1	8,665
Lompoc	6	5,275
Santa Barbara	7	10,588
Santa Maria	5	10,172
Santa Ynez	23	172
Solvang	10	432
Total County	7	45,224

Source: U.S. Census, 1990.

Summary of Offsite Projects. As presented in Section 6.1.4 - Cumulative Projects, the potential for cumulative impacts considers projects within the City of Morro Bay and outside the city in western San Luis Obispo County.

*City of Morro Bay.* There are two approved and two proposed major development projects in the City of Morro Bay that could result in cumulative impacts (see Section 6.1.4 and Figure 6.1-1). Construction of a housing development along Morro Strand State Beach, approximately 1 mile north of MBPP, began in late 1999 and is expected to be completed within 12 to 18 months, or early 2001, so it is expected to be completed before Project construction. The Colmer Tract development has been approved but has no start or completion date. This is because it is not a "housing development project" as a whole. Individual lots are sold and are subject to obtaining building permits from the City of Morro Bay. As a result, when it does commence construction it is expected to have smaller impacts associated with each house. A shopping center located approximately 1 mile southeast of MBPP has been withdrawn from consideration due to a planned project revision. No schedule for resubmittal is available. The two other proposed developments have not been approved, so potential construction plans are not known. Based on the foregoing, and the fact that the Project schedule is anticipated to begin in the spring of 2002, it is not expected that these developments will impact the construction work force for the Project, or that Project construction will affect the proposed developments.

*San Luis Obispo County.* There are four ongoing projects and three potential projects occurring in western San Luis Obispo County (see Figure 6.1-2). The three ongoing projects are the cleanup of the Guadalupe and Avila Beach oil fields, and the Caltrans improvements of the Cuesta Grade on Highway 101. The Guadalupe oil field cleanup is planned for completion in 2003 and can involve up to 60 workers at one time. This type of project requires primarily earthmoving equipment and soil engineers. The Avila Beach oil field cleanup is scheduled for completion in May 2000. Plans for the anticipated rebuilding of approximately 25,000 square feet of storefront properties in Avila will be developed for approval at a later date.

The Cuesta Grade improvements on Highway 101 began in the fall of 1999 and is expected to continue until 2002. There is likely to be some overlap in certain construction craft labor requirements (i.e., equipment operators and laborers) for the Project and the improvements to Cuesta Grade; however, the construction workforce for their construction labor categories in San Luis Obispo County and northern Santa Barbara County is large enough (approximately 1,700 - see Table 6.10-17) to support both projects without a cumulative impact.

Expansion of the San Luis Obispo County Airport began in the summer of 2000 and will be completed by early 2001. Therefore, there will not be an overlap of construction workers for the Project and the airport expansion.

Beginning in the Spring 2002, Duke Energy will commence the demolition of its offsite oil tank storage located in San Luis Obispo County above State Highway 41. This project will require a workforce of about 35 and last about 4 months. After tank removal, the site will be graded to specifications developed by the County to eliminate potential soil and water drainage. San Luis Obispo County will permit and inspect this work. The Project construction is not planned to begin until the spring 2002 following demolition of the onsite tank farm and only minimum staffing levels are necessary at the onset of the Project. Because of this scheduling there will not be cumulative impacts associated with this offsite tank farm demolition.

Construction of two large-scale housing developments in the Santa Margarita and Nipomo Mesa areas are anticipated to begin in 2000 and 2001 and continue over the next 5 to 10 years. Major activities would involve earthmoving, carpentry and finish work. Because these construction

activities would involve different specialties than the Project, cumulative impacts to the local work force are expected to be beneficial. It is not anticipated that cumulative demands for workers would lead to shortages.

#### 6.10.2.3.2 Population (Cumulative)

Demand for construction workers for the offsite tank farm demolition and the Project is anticipated to occur in first and second quarter 2002. During that time, the cumulative Duke Energy work force will increase by a maximum of 35 more persons than required for the Project. As shown in Figure 6.10-4, the Project is expected to peak at 831 workers during an approximately 6-month period beginning in the fall 2002. The minimal increase in the early periods of the overall cumulative work scope will not affect the conclusions developed for the Project construction workforce (see Section 6.10.2.1.1).

Based on communication with various representatives of the building and construction trades, available workers in the study area will be sufficient to provide MBPP construction needs (Table 6.10-17). As shown in Table 6.10-17, the study area workforce is adequate to supply the needed workers for each required trade.

The four ongoing and three potential projects in western San Luis Obispo County will have some overlapping demands, but will emphasize the need for construction workers from different crafts. The two oilfield cleanup projects and the Cuesta Grade improvement project utilize earthmoving equipment, soil engineers and technicians. The two housing projects will require primarily grading, carpenters and finish workers. The cumulative projects overlap in their requirements, but the overlap occurs where the most workers are available. As a result, cumulative impacts that involve movement of workers into the study area are not anticipated.

The available construction workforce is expected to be sufficient to supply the anticipated needs for construction workers for the Project at MBPP and the identified projects in the City of Morro Bay and western San Luis Obispo County. Should the need arise for temporary relocation of some workers, these numbers will be minimal and, based on existing capacities, would not have a significant impact on local accommodations. As a result, population impacts that would result from permanent relocation of construction workers are not anticipated.

#### 6.10.2.3.3 Employment and Economy (Cumulative)

Only minimal increased permanent employment will be generated during construction activities at MBPP since there are no additional projected construction work at the MBPP site. Duke Energy is committed to use local construction workers for the Project, therefore, the Project and the other projects in the area will have a cumulative beneficial effect on the employment rate for construction workers.

#### 6.10.2.3.4 Housing (Cumulative)

It is anticipated that the construction workforce for the Project plus the projects in the City of Morro Bay and western San Luis Obispo County would be provided locally. As a result, temporary relocation of construction workers on a workweek basis is expected to be minimal and provided by local hotels, motels and RV facilities. Since there are no additional projected construction work at the MBPP site, cumulative work will not result in additional workers and therefore would not contribute to potential increases in housing requirements evidenced by the projects in western San Luis Obispo County.

#### 6.10.2.3.5 Schools (Cumulative)

Because construction workers for the Project at MBPP and the cumulative projects in the City of Morro Bay and western San Luis Obispo County are expected to be provided from within commuting distance, construction workers are not expected to relocate. As a result, school children are not expected to relocate. School enrollments would not be affected by these cumulative construction projects. Since there are no additional projected construction work at the MBPP site, cumulative work result in additional workers and, therefore, will not contribute to potential increases resulting from the projects in Morro Bay and western San Luis Obispo County.

#### 6.10.2.3.6 Utilities (Cumulative)

The cumulative effect of the Project will not result in increased demands on existing utilities. Potential increases in demand resulting from offsite projects will be project-specific; the MBPP Project will not have a cumulative effect on any potential increase in demand for utilities.

#### 6.10.2.3.7 Emergency and Other Services (Cumulative)

Current emergency response, including the Morro Bay Fire Department and Morro Bay Police Department, will be sufficient to provide necessary services to MBPP during construction as augmented by Duke Energy's proposed fire safety and police service program (see Appendix 6.10-5).

The MBPP activities will not place a significant demand on local ambulance service or local hospital. As a result, potential additional demand from projects in the area will not suffer due to the Project.

#### 6.10.2.3.8 Fiscal Resources (Cumulative)

The first year property tax after completion of construction for the MBPP Projects, is estimated to increase from \$1.10 million to \$5.5 million per year (see Tables 6.10-10 and 6.10-20). This money will be collected by San Luis Obispo County and distributed among 11 separate categories, including the City of Morro Bay (see Tables 6.10-10 and 6.10-20).

The Project's local construction payroll is estimated to be \$66.8 million. Equipment and materials that will be purchased locally are estimated to be \$10.3 million. The MBPP modernization will result in \$1.8 million of estimated state sales revenue paid to the City of Morro Bay.

#### 6.10.2.4 Project Design Features

The following are design and/or operational features that have been incorporated into the Project and avoid potentially significant socioeconomic environmental impacts:

- Utilize local workforce to fill requirements for construction workers.
- Utilize local resources as much as possible to supply materials and equipment.
- Duke Energy will participate in a program with the City of Morro Bay Fire Department to provide additional services to meet Project requirements for emergency services.

#### 6.10.3 MITIGATION MEASURES

Based on the above analysis of impacts, and the design and operational features that have been incorporated into the Project, no socioeconomic mitigation measures are required.

#### 6.10.4 SIGNIFICANT UNAVOIDABLE ADVERSE IMPACTS

No significant unavoidable adverse impacts will occur in the area of socioeconomics due to the construction or operation of Project and the MBPP modernization activities. The Project will have positive socioeconomic impacts.

#### 6.10.5 LAWS, ORDINANCES, REGULATIONS AND STANDARDS (LORS) COMPLIANCE

A summary of applicable LORS pertaining to socioeconomics is provided in Section 7.5.10. The analysis included in this section complies with the applicable socioeconomic LORS identified in Section 7.5.10. The MBPP modernization activities will comply with applicable LORS related to socioeconomic issues (see Sections 6.10.2.2.10, 6.10.2.1.3, and 6.10.2.2.5).

Note: Table 6.10-25 shows the persons and organizations consulted as listed above, and includes addresses and telephone/facsimile numbers.

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Cartnal, R. Research Analyst 7, Department of Matriculation and Research. Cuesta Community College, San Luis Obispo, California. Personal Communication. February 2, 1999.

Caruso, J. Associate Planner, San Luis Obispo County. Personal Communication. June 1999.

Chudoba, K. Administrative Assistant for Santa Maria Valley Chamber of Commerce. Personal Communication. March 5, 1999.

**TABLE 6.10-25****PERSONS AND ORGANIZATIONS CONSULTED**

Page 1 of 2

ORGANIZATION	CONTACT	ADDRESS	TELEPHONE/ FACSIMILE
Buellton School District	B. Tice, Superintendent	301 Second Street Buellton, CA 93427	Phone: (805) 688-4222 Fax: (805) 688-6611
California Department of Finance Demographic Research Unit	M. Heim, Research Manager	915 L Street Sacramento, CA 95814-3706	Phone: (916) 322-4651 Fax: (916) 568-2947
California Highway Patrol, Coastal Division, Field Services Unit	D. Aguilar, Sergeant P. Munns, Officer	4115 Broad Street, Suite B10 San Luis Obispo, CA 93401	Phone: (805) 549-3261 Fax: (805) 546-9176
California Polytechnic State University Institutional Planning and Analysis	J. Nielsen, Research Technician B.L. Krupp, Research and Planning Analyst	1 Grand Avenue San Luis Obispo, CA 93407	Phone: (805) 756-1111 Fax: (805) 756-5292
City of Morro Bay Fire Department	J.F. Jones, Chief	715 Harbor Street Morro Bay, CA 93442-1907	Phone: (805) 772-6242 Fax: (805) 772-6253
City of San Luis Obispo	D. Sheeley, Economic Development Manager	990 Palm Street San Luis Obispo, CA 93401	Phone: (805) 781-7170 Fax: (805) 781-7173
City of San Luis Obispo Utilities Department	B. Cowan, Senior Administrative Secretary	995 Morro San Luis Obispo, CA 93401	Phone: (805) 781-7215 Fax: (805) 781-7198
Cuesta Community College Department of Matriculation and Research	R. Cartnal, Research Analyst 7	Post Office Box 8106 San Luis Obispo, CA 93403-8106	Phone: (805) 546-3100 ext. 3946 Fax: (805) 546-3954
French Hospital Medical Center	D. Nicholas, Chief Business Development Officer	1911 Johnson Avenue San Luis Obispo, CA 93401	Phone: (805) 543-5353 Fax: (805) 542-6200
Los Olivos School District	G. Foss, Superintendent	2540 Alamo Pintado Avenue Los Olivos, CA 93441	Phone: (805) 688-4025 Fax: (805) 688-4885
City of Morro Bay Police Department	J. Loven, Chief S. Cardwell, Dispatcher K. Kleiman, Administrative Secretary	850 Morro Bay Boulevard Morro Bay, CA 93442	Phone: (805) 772-6225 Fax: (805) 772-2224
City of Morro Bay Public Works Department	D. Carr, Wastewater Treatment Lead Worker	695 Harbor Street Morro Bay, CA 93442-1905	Phone: (805) 772-6261 Fax: (805) 772-6268
San Luis Ambulance Service, Inc.	C. Javine, Paramedic Field Supervisor	569 Higuera, Suite A San Luis Obispo, CA 93401-3861	Phone: (805) 543-2626
San Luis Obispo Coastal Unified School District	E. Valentine, Ph.D., Assistant Superintendent I. Outcalt, Administrative Assistant	1499 San Luis Drive San Luis Obispo, CA 93401-3099	Phone: (805) 543-2010 Fax: (805) 549-9074
Santa Barbara City Education Office	G. Grim, Director of Facilities and Operations	720 Santa Barbara Street Santa Barbara, CA 93101	Phone: (805) 963-4331 ext. 238
Santa Barbara County Education Office	W. Shelton, Director of Communications	4400 Cathedral Oaks Road Santa Barbara, CA 93160-6307	Phone: (805) 964-4711 Fax: (805) 683-4778
San Luis Obispo County Department of Planning and Building	J. Caruso, Associate Planner J. Euphrat, Principal Planner M. Jansen, Environmental Specialist L. Jones, Development Review Research	County Government Center San Luis Obispo, CA 93408	Phone: (805) 781-5702  Phone: (805) 781-5194  Phone: (805) 781-5104  Phone: (805) 781-5183
San Luis Obispo General Hospital	P. Stormen, Interim CEO	2180 Johnson Avenue San Luis Obispo, CA 93401	Phone: (805) 781-4800 Fax: (805) 781-1096
San Luis Obispo Sheriff's Department Crime Prevention Unit	R. Johnson, Crime Prevention Specialist	1525 Kansas Avenue San Luis Obispo, CA 93406	Phone: (805) 781-4577 Fax: (805) 781-1198
Santa Maria Valley Chamber of Commerce Visitor & Convention Bureau	K. Chudoba, Administrative Assistant	614 S. Broadway Santa Maria, CA 93454-5111	Phone: (805) 925-2403 Fax: (805) 928-7559

**TABLE 6.10-25****PERSONS AND ORGANIZATIONS CONSULTED  
(Continued)**

Page 2 of 2

ORGANIZATION	CONTACT	ADDRESS	TELEPHONE/ FACSIMILE
Santa Ynez Valley Union School District	Dr. F. Van Leuven, Superintendent	2975 E. Hwy. 246 Santa Ynez, CA 93460	Phone: (805) 688-6487 Fax: (805) 688-4454
Sierra Vista Regional Medical Center	S. O'Neal, CEO Administrator	1010 Murray Avenue San Luis Obispo, CA 93405	Phone: (805) 546-7600 Fax: (805) 546-7892
Southern California Gas Company	T. Mahoney, District Manager	134 East Victoria Santa Barbara, CA 93101	Phone: (805) 966-6212 Fax: (805) 962-2017
State Board of Equalization Valuation Division MIC 61	H. Hale, Principal Property Appraiser	450 N Street Sacramento, CA 95814	Phone: (916) 324-0031 Fax: (916) 324-2787
University of California Santa Barbara	E. Clark, Registrar's Office	Santa Barbara, CA 93106	Phone: (805) 893-8000

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Note: The above are included in Section 6.10.6, References.



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Jansen, M. Environmental Specialist, San Luis Obispo County. Personal Communication. June 1999.

Javine, C. Paramedic Field Supervisor, San Luis Ambulance Service. Personal Communication. June 1999.

Johnson, R. San Luis Obispo Sheriff's Department Crime Prevention Unit. Personal Communication. March 3, 1999.

Jones, J.F. Fire Chief for City of Morro Bay Fire Department. Personal Communication. March 9, 1999(a).

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